

**2021-2022**

# **ALLOTMENT POLICY MANUAL**



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



[www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/allotments--funding-public-school-units](http://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/allotments--funding-public-school-units)

# General Information

**PUBLIC SCHOOLS OF NORTH CAROLINA  
STATE BOARD OF EDUCATION  
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[www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/allotments--funding-public-school-units/](http://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/allotments--funding-public-school-units/)

**TEACHER BONUSES**

PROGRAM REPORT CODE: 045  
 UNIFORM CHART OF ACCOUNTS CODE: XXXX-045-180  
 STATUTORY REFERENCE: [SL 2020-45 Section 2 SL2021-180 Section 7A.3](#)

Guaranteed allotment for local education agencies

A bonus payment of \$~~30050~~ to certified teachers and instructional support employed as of ~~October-January~~ 1, 202~~20~~<sup>21</sup>. The bonus is to be paid by ~~October-January~~ 31, 202~~2~~<sup>1</sup> and is not subject to retirement.

Note: charter schools, lab schools, regional schools and ISD shall receive a per pupil share in the base allocation (PRC036), and are required to provide the bonus from this allocation. These PSUs shall not expend to PRC045.

**HIGHLY QUALIFIED NC TEACHING GRADUATE**

PROGRAM REPORT CODE: 028  
 UNIFORM CHART OF ACCOUNTS CODE: XXXX-028-181  
 STATUTORY REFERENCE: [G.S. 115C-302.7](#)  
[SL 2017-57, Section 8.2](#)  
[SL 2017-212, Section 2.3](#)  
[SL 2018-5, Section 8.8](#)  
[S.L 2019-247 Section 2.2](#)

Guaranteed allotment.

A supplement paid to new teachers who are highly qualified. Amount of the supplement is dependent on the school and teaching assignment. Full policy in the [NC Public School Personnel State Salary Manual](#).

**PRINCIPAL RECRUITMENT SUPPLEMENT**

PROGRAM REPORT CODE: 028  
 UNIFORM CHART OF ACCOUNTS CODE: 5410-028-180  
 STATUTORY REFERENCE: GS 115C-285.1  
 S.L 2019-247 Section 2.5

Guaranteed allotment.

A supplement paid to eligible principals who supervise a low performing school selected by DPI. Full policy in the [NC Public School Personnel State Salary Manual](#).

**EMPLOYER BENEFIT COSTS**

PROGRAM REPORT CODE: Various  
UNIFORM CHART OF ACCOUNTS CODE: XXX-XXX-2X1  
STATUTORY REFERENCE: [SL 2021-180 Section 39.22 \(b\) and \(d\)](#),

**Benefit Rates:**

Hospitalization [\\$7,019](#) per year per full-time equivalent position.  
Social Security 7.65% for the entire year.  
Retirement [22.89%](#)

Effective July 13, 1989, a person must be a permanent employee as defined in the North Carolina Public School and must be employed for thirty or more hours per week in order for an LEA to submit the employee for enrollment in the State Retirement System and the State Health Insurance System. Charter schools may elect to participate in the State Retirement System and the State Health Insurance System. Charter school decisions to enroll in the State Retirement System and State Health Insurance system are final.

Effective July 1, 1995, all employer salary-related contributions for full-time permanent employees, including hospitalization benefits, shall be prorated based on the actual percentage employed in each expenditure code.

**APPORTIONMENT OF LOCAL FUNDS**

In accordance with [GS 115C-430](#), if there is more than one LEA in a county, all appropriations by the county to the local current expense funds of the LEAs, except appropriations funded by supplemental taxes levied less than county wide, must be apportioned according to the membership of each LEA. Membership for each LEA will be based on the allotted ADM. Students residing outside the county will be deducted from membership before the apportionment of local funds is calculated.

Membership for city LEAs located in more than one county will be divided on a percentage basis according to the number of students residing in each county at the end of the second school month of the prior year.

If a Charter school is established within an LEA whose borders extend into more than one county, a breakdown of student membership for each of those counties will be obtained from the Charter School. This information will be used to calculate the revised ADM figures for the per

capita distribution of local funds for the school system. As of the 2004-05 school year, Kannapolis City Schools and Nash County Schools have borders that extend into more than one county.

To comply with the School Budget and Fiscal Control Act, the membership for the subject LEAs will be determined and certified to the LEA and the board of county commissioners by the **Division of School Business**.

### **TEXTBOOKS FOR THE VISUALLY IMPAIRED**

LEAs may order Braille, large print and copies of State adopted textbooks for children with disabilities whose Individualized Education Programs (IEPs) state that such modified textbooks are necessary to meet their unique learning needs.

Orders for modified State adopted textbooks must be submitted to the State Textbook Warehouse. These orders will be filled on a first-come first-served basis until the available state funds have been depleted. Once the fund for modified State adopted textbooks has been depleted, LEAs can use their textbook credit balance account to purchase modified textbooks.

Textbook Services shall have the authority to recall the modified State adopted textbooks for redistribution when no longer needed by children with special needs in any LEA.

Local boards of education may [[GS 115C-98\(b2\)](#)]:

1. Select, procure, and use textbooks that have not been adopted by the State Board of Education for use throughout the local school administrative unit for selected grade levels and courses; and
2. Approve school improvement plans developed under [GS 115C-105.27](#) that include provisions for using textbooks that have not been adopted by the State Board of Education for selected grade levels and courses.

**All textbook contracts made under this subsection shall include a clause granting to the local board of education the license to produce Braille, large print, and audiocassette tape copies of the textbooks for use in the local school administrative unit.**

An LEA serving students with visual impairment whose IEP states a format other than embossed braille or large print is needed to access the curriculum, such as refreshable braille, audio, digital and/or web-based textbook file, can contact the North Carolina NIMAC coordinator (<http://aem.cast.org/supporting/aem-state-contacts-sea-information.html#north-carolina>) for download options.

### **MERGED LEAS**

If two or more LEAs are consolidated into one LEA, the following allotments shall not be less than those same allotments to the separate LEAs for the first and second full fiscal years of the consolidation and shall be used for the continuation of the positions and programs, except as specifically authorized by the State Board of Education.

1. Central Office Administration
2. Career Technical Education Months of Employment
3. Children with Special Needs - Preschool Handicapped
4. Limited English Proficiency

Additionally, individual LEAs with June 30 allotment balances that are subject to carryover provisions will be consolidated by respective category for all LEAs within the merger and re-allotted in total to the consolidated LEA.

For additional information related to minimum local funding of merged LEAs, see [GS 115C-68.1](#), as enacted by the 1991 General Assembly.

## **ALLOTMENT ADJUSTMENTS FOR ADM GROWTH**

### **PURPOSE:**

The contingency reserve was established to support the average daily membership (ADM) based allotments. The reserve is to be used in cases where first month Average Daily Membership exceeds the original anticipated ADM used for allotments. Increases will be made in the Classroom Teacher, Instructional Support, Non-instructional Support, Teacher Assistant, Classroom Materials and Supplies, Textbook, and Career Technical Educational Program Support categories as applicable.

### **OBJECTIVE:**

In administering this allotment, the intent is to first ensure that adequate school-based resources are provided to meet the average daily membership as of the first month of school, per LEA request. The reserve will be allotted to LEAs on a case-by-case basis according to need. Secondly, (within available state funding) the reserve will be utilized to relieve class size overage problems as they may occur during the school year after the allotment adjustment for ADM growth. In the case of class size overage adjustments after the first month, allotments will only be made for regular teachers as authorized by [GS 115C-301](#).

### **ADMINISTRATION:**

These adjustments are to ensure that adequate school-based resources are provided (within appropriated funding/formulas) to meet the requirements after the first month of school per LEA request.

The allotment adjustments are based on first month average daily membership reports as submitted by the LEAs to the **Division of School Business**.

After the first month of school, an LEA can request additional resources due to extraordinary student population growth that results in significant class size overage problems. Each request will be reviewed based on the criteria outlined below:

- The LEA's current month Average Daily Membership (ADM) will be compared to the LEA's Allotted ADM.

- Overall growth must be at least 2% or 100 students and the growth must have created significant class size overage problems that cannot be resolved by the LEA.
- Less growth will be considered if the growth and class size problem occur within a specific grade or grade spans K, 1-3, 4-8, 9-12, or within classes for children with disabilities.
- Individual school class sizes and the type of class structures (blocked, combined, etc.) will be examined. If reorganization or class restructuring can absorb the growth, additional allocations will not be made.
- The LEA must show a need for funding not already included in the regular ADM teacher allotment or children with disabilities programs.
- With receipt of an LEA's request, the Department of Public Instruction will verify that sufficient State resources are available to meet the LEA's request and will notify the LEA:
  - If additional funding will be allotted to cover the LEA's ADM growth, or
  - If the LEA's request for additional funding for ADM growth has been denied.

Additional funds will be allotted, within available funds, on a case-by-case basis. The State Board of Education, in accordance with [GS 115C-416](#), may specifically authorize use of the reserve (within available state funding) on a case-by-case basis where additional resources are required to meet legislative mandates.

### **ALLOTMENT ADJUSTMENTS FOR ADM DECREASES**

#### **PURPOSE:**

In accordance with [SL 2007-323, Section 7.15\(b\)](#), decreases to allotments must be made if the original anticipated ADM used for allotments exceeds the higher of the first or second month Average Daily Membership (ADM) by at least 2% or 100 ADM.

The funds from this adjustment will be added to the ADM Contingency Reserve to be used in cases where first month Average Daily Membership exceeds the original anticipated ADM. Decreases are made in the Classroom Teacher, Instructional Support, Non-instructional Support, Teacher Assistant, Classroom Materials and Supplies, Textbook, and Career Technical Educational Program Support Categories as applicable.

#### **HOLD HARMLESS:**

Notwithstanding Section 7.15(b) of S.L. 2007-323, for the [2021-22 fiscal year](#) the State Board of Education shall not reduce allotments for LEAs due to a discrepancy between actual and anticipated average daily membership. LEAs shall be funded for initial allotments based on the [2021-22](#) allotted average daily membership less transfers for new and growing charter schools, innovative schools, regional schools and lab schools, as reported by July 1, 2021.

Funds for children with disabilities will be transferred to and from the LEA, if the child leaves or returns to the LEA from a charter school, regional school, lab school or innovative school.

## **SUBSTITUTE PAY**

PROGRAM REPORT CODE: XXX  
UNIFORM CHART OF ACCOUNTS CODE: XX00-XXX-16X  
STATUTORY REFERENCE:

With the ratification of the School Flexibility and Accountability Bill ([SL 1995-450](#)) in July of 1995, Substitute Pay for classroom teachers and instructional support personnel is allotted with Non-Instructional Support Personnel (PRC 003). Substitute Pay from other State allotments such as Career Technical Education, Staff Development, and Children with Disabilities, as well as federal programs, may still be paid from their respective categorical allotments.

Substitutes who hold teacher certificates shall receive a minimum of 65% of the daily pay rate of an entry-level teacher with an "A" certificate as stated in the [NC Public School Personnel State Salary Manual](#) (~~(\$103) per day~~). Substitutes who are non-certified shall receive a minimum of 50% of the daily pay rate of an entry-level teacher with an "A" certificate. (~~(\$80) per day~~). The pay for non-certified substitutes shall not exceed the pay of certified substitutes. Deductions in salaries for teachers on leave who require a deduction in salary for substitute pay shall be at a standard rate of \$50.00 per day.

In accordance with [GS 115C-12\(8\)](#), the \$50 deducted from a teacher's pay will be reallocated to Non-instructional Support Personnel (PRC 003) on a ~~monthly~~ [semi annual](#) basis. The additional allocation is based on absence codes included on teacher payroll records.

For additional information regarding the payment of substitute pay please reference the [NC Public School Personnel State Salary Manual](#) at or the [Employee Benefits Manual](#).

## **ANNUAL LEAVE**

PROGRAM REPORT CODE: 009  
UNIFORM CHART OF ACCOUNTS CODE: XXXX-009-188  
STATUTORY REFERENCE: [GS 115C-316](#)

No allotment is made for annual leave. Eligible expenditures will be covered as reported through UERS (Uniform Education Reporting System) for LEAs.

For additional information regarding the payment of annual leave please reference the [NC Public School Personnel State Salary Manual](#) or the [Employee Benefits Manual](#).



**LONGEVITY**

PROGRAM REPORT CODE: 009  
 UNIFORM CHART OF ACCOUNTS CODE: XXXX-009-184  
 STATUTORY REFERENCE: [GS 115C-316](#)

No allotment is made for longevity. Beginning July 1, 2014, longevity is included in the salary schedule for School Based Administrators, Teachers and Instructional Support Personnel. Eligible expenditures will be covered as reported through UERS for LEAs.

| Longevity Schedule           |                    |
|------------------------------|--------------------|
| Years of Total State Service | Longevity Pay Rate |
| 10 but less than 15 years    | 1.50 percent       |
| 15 but less than 20 years    | 2.25 percent       |
| 20 but less than 25 years    | 3.25 percent       |
| 25 or more years             | 4.50 percent       |

For additional information regarding the payment of longevity please reference the [NC Public School Personnel State Salary Manual](#) or the [Employee Benefits Manual](#).

**SHORT-TERM DISABILITY**

PROGRAM REPORT CODE: 009  
 UNIFORM CHART OF ACCOUNTS CODE: XXXX-009-1XX  
 STATUTORY REFERENCE:

No allotment is made for short-term disability. Eligible expenditures will be covered as reported through UERS for LEAs.

Short-term disability payments are payable after the conclusion of a 60-day waiting period for a period not exceeding 365 calendar days provided the employee meets the following requirements:

1. The employee has at least one year of contributing membership service in the Retirement System earned within the 36 calendar months preceding employee's disability.

2. Employee has been classified as being mentally or physically disabled for the further performance of his/her usual occupation.
3. Employee's disability was incurred at the time of active employment.
4. Employee's disability has been continuous.

For additional information regarding the payment of short-term disability please reference the [NC Public School Personnel State Salary Manual](#) or the [Employee Benefits Manual](#).

## **INJURIES DUE TO EPISODES OF VIOLENCE**

|                                 |                             |
|---------------------------------|-----------------------------|
| PROGRAM REPORT CODE:            | Varies                      |
| UNIFORM CHART OF ACCOUNTS CODE: | Varies                      |
| STATUTORY REFERENCE:            | <a href="#">GS 115C-338</a> |

An employee who while engaged in the course of his employment or in any activities incidental thereto, suffers any injury or disability resulting from or arising out of any episode of violence by one or more persons shall be entitled to receive his full salary during the shortest of these periods: one year, the continuation of his disability, or the time during which he is unable to engage in his employment because of injury. This allocation will be made if the employee is not receiving salary from worker's compensation.

The Local School Board must declare the incident as an Act of Violence. In accordance with [GS 115C-338](#), an LEA must notify the School Allotments Section in writing of how many months the employee was absent in the initial fiscal year due to the incidence of violence. The LEA must notify School Allotments Section in the 2nd fiscal year if needed. Allotments will **not** be made for prior fiscal years.

LEAs should include the following information when submitting claims for episodes of violence:

- A written description of the act.
- A copy of the physician's statement and the Board's designation of Act of Violence.
- The specific dates the additional allotment will cover.
- The name and phone number of the Sedgwick case worker.

For additional information regarding injuries due to episodes of violence please reference [NC Public School Personnel State Salary Manual](#) or the [Employee Benefits Manual](#).

**ABCS TRANSFER OF FUNDS**

|                                 |                                |
|---------------------------------|--------------------------------|
| PROGRAM REPORT CODE:            | Varies                         |
| UNIFORM CHART OF ACCOUNTS CODE: | Varies                         |
| STATUTORY REFERENCE:            | <a href="#">GS 115C-105.25</a> |

The ABCs of public education enables LEAs to have flexibility in their funding. Transfers of funding and/or position allotments are to be submitted to the School Allotments Section of the **Division of School Business**. No financial State Board of Education waivers are required.

Guaranteed certified positions will be transferred as follows:

- 1) Classroom Teachers and Program Enhancement Teachers
  - a) ~~The salary transferred shall be based on the first step on the "A" Teacher Salary Schedule plus benefits. Classroom teachers can be transferred for any purpose authorized by the policies of the State Board of Education. No transfers permitted. Classroom teacher positions may be converted to dollars at the Statewide teacher average salary including benefits to employ international faculty~~
- 2) Instructional Support
  - a) The salary transferred shall be based on the first step on the "A" Teacher Salary Schedule plus benefits. Instructional Support can be transferred for any purpose authorized by the policies of the State Board of Education.
- 3) School Psychologist  
No transfers permitted. Positions may be converted to dollars to contracted service for school psychology at the beginning step of the legislated salary schedules for a school psychologist.
- 4) Career Technical Education Months of Employment (CTE)
  - a) The salary transferred within CTE is based on the Statewide Average Salary.
  - b) The salary transferred outside of CTE is based on the first step on the "A" Teacher Salary Schedule plus benefits.

For transfers from School Building Administration:

- 1) Principal positions
  - a) The salary transferred shall be based on the first step of the Base Column of the Principal Salary Schedule.
- 2) Assistant Principals Months
  - a) The salary transferred shall be based on the first step of the "A" Teacher Salary Schedule at the salary level of an Assistant Principal.

For the purpose of paying for a different certified position from that being transferred into PRC 010 (Certified Positions converted to dollars), the dollar amounts converted equal salaries stated including benefits. The salary of the position to be paid from PRC 010 will be a dollar allotment and not a guaranteed salary. Converting certified position allotments to dollars for the purpose of hiring the same type position is not allowable.

No transfer will be allowed to or from the following categories:

- Classroom Teachers – exception for conversion for international faculty
- Program Enhancement Teachers
- School Psychologists - exception for conversion for school psychologist contracted service
- Behavioral Support
- Children with Disabilities Special Funds
- Federal Funds
- LEA Financed Purchase of School Buses
- School Technology
- Excellent Schools Act
- Driver Education

Transfers will be allowed to or from the following categories:

- At Risk Student Services / Alternative Schools
- Classroom Materials / Supplies and Equipment
- Disadvantaged Student Supplemental Funding
- Cooperative Innovative High Schools
- Low Wealth Supplemental Funding
- Non-Instructional Support
- Small County Supplemental Funding
- Transportation – (may impact efficiency rating)

Limited transfers will be allowed for the following categories:

- Academically & Intellectually Gifted: No funds shall be transferred out of this category.
- Central Office Administration: Transfers from central office administration are allowable. Transfers into this category are not allowed.
- Children with Disabilities: Funds can be transferred into this category. Funds may not be transferred out of this category.
- Limited English Proficiency – Funds may be transferred to this category. Funds may not be transferred out of this category.
- Position/MOE Allotments - Funds may be transferred out of these categories except where prohibited elsewhere in the policy. Funds cannot be transferred into these categories.

- Textbooks and Digital Resources- Carryover provision applies. Funds allotted for Textbooks and Digital Resources may only be used for purchase of textbooks and digital resources. Funds may only be transferred from PRC 130 to PRC 131 for purchase of textbook and digital resources not in the Textbook Warehouse.
- Teacher Assistant - Funds may transfer into this category. No transfers out.

**The final date for transfers is the last workday of May each year.** Transfers received after this date cannot be approved.

### **Reporting**

To ensure that parents, educators, and the general public are informed on how State funds have been used to address local educational priorities, each LEA shall publish the following information on its web site by October 15.

- 1) A description of each program report code and a summary of the prior year's expenditure of State funds by program report code.
- 2) A description of each object code within a program report code and a summary of the prior year's expenditure of State funds for each object code.
- 3) Starting with fiscal year 2014-15, LEAs shall provide the following *for all transfers which increased or decreased the allotment amount by more than 5%*
  - a) The amount of the transfer
  - b) The allotment category into which the funds were transferred
  - c) The purpose code for the funds following the transfer
  - d) A description of any teacher positions fully or partially funded as a result of the transfer, including all subject areas taught by the teacher in that position
  - e) The educational priorities that necessitated the transfer
- 4) A chart that clearly reflects how the LEA spent State funds
- 5) The LEA shall maintain the information on their website for at least 3 years.
- 6) DPI shall collect the information and report the aggregate information to Joint Legislative Education Oversight Committee by December 1 annually. This includes all expenditure data, description on each object code and program report code.

**Note:** LEAs are to make every effort to minimize the budget adjustments that impact classroom instruction and classroom activities.

### **SPECIAL SMALL SCHOOLS**

STATUTORY REFERENCE:

[SL 2008-107, Section 7.20](#)

Additional classroom teachers may be allotted within available funds based on the following provisions and upon request by the superintendent to the **Division of School Business:**

- 1) Qualifying Programs Schools
  - a) Regional Programs: Special allotments may be made for assignment to regional programs serving public school students with disabilities. These programs must serve students from more than one LEA.
  - b) Hospitals, Special Programs, and Institutions: Special allotments may be made for assignment to hospitals which offer an educational component to students under their treatment.
  - c) Small Schools: Special allotments may be made for assignment to small schools of less than 110 ADM, when consolidation is not feasible due to geographic isolation.
- 2) Qualifying Conditions:
  - a) Consideration will be given to small, geographically isolated schools over other qualifying programs and schools.
  - b) The LEA must show a need for funding not already included in the regular ADM teacher allotment or children with disabilities programs.
  - c) The special small school allotment must not take the place of local efforts or result in a duplication of positions or funds allotted under the regular ADM teacher allotment or children with disabilities programs.
  - d) All regular positions earned on ADM at those sites must be used to directly serve the program for which the allotment is requested.
  - e) Proper assignment of regular ADM and children with disabilities funds must be documented before a special small school allotment can be approved.
- 3) Continuation of Allotments: Special allotments are made on a year-by-year basis; however, special allotments will be continued for institutions and hospitals unless the following occurs:
  - a) The program has been discontinued.
  - b) A reduction in the number of students has occurred in the program which makes the allotment unnecessary.
  - c) State funding is not appropriated for this purpose.
- 4) Allotment Appeals Process: The approval/denial of a request for a special small school allotment will be made initially by the School Allotments Section, Division of School Business. LEAs wishing to appeal a denial of their request may do so in writing to the Office of the Associate Superintendent of Public Instruction. A final appeal for consideration may be made to the State Board of Education.
- 5) Employment of Allotted Personnel: Special small school allotments go to the requesting LEA, not to the institution or hospital where the teacher is assigned. Therefore, teachers allotted through a special small school allotment are employees of and should be supervised by the receiving LEA.
- 6) Assigned Duties of Allotted Personnel: Teachers employed through the special small school allotment may not be assigned duties unrelated to the purpose for which their position was allotted or duties which enhance the profitability of the institution or hospital to which they are assigned.

**NORTH CAROLINA VIRTUAL PUBLIC SCHOOLS (NCVPS)**

## STATUTORY REFERENCE:

[SL 2011-145, Section 7.22](#)

Beginning with the 2011-12 school year, NCVPS will be funded by an allotment formula that recognizes the effects of e-learning courses projected enrollments with other ADM based allotments. The funds transferred through the allotment formula will fund the NCVPS program at no cost to students enrolled in North Carolina public schools, Department of Defense schools, and schools operated by Bureau of Indian Affairs.

## NCVPS Allotment Formula:

- 1) Project the NCVPS student enrollment for each LEA by semester and year-long course type for each LEA and charter school.
- 2) Establish a per course teacher payment structure for the instructional costs of NCVPS. Based on:
  - a) Total compensation analysis taking into account salaries, benefits and work effort to ensure comparisons between occupations.
  - b) The effects any change in NCVPS teacher payments may have on the attraction and retention of NCVPS teachers.
- 3) Develop a per student fee structure for in-State students that is based on the per course teacher pay structure. The fee structure for in-State students shall ensure that the projected cost for the LEA units and charter schools equal the projected instructional cost for NCVPS courses.
- 4) Multiply the per student course fee by the projected enrollment by course type to calculate the total projected instructional cost.
- 5) The dollar amount transferred is 75% of the projected instructional cost.
- 6) No later than February 28 of each year calculate the actual instructional cost based on actual enrollment as of that date. [[SL 2013-360, Section 8.9\(b\)](#)]
- 7) Subtract the actual amount transferred from the actual instructional cost. The remaining dollar amount up to a maximum of 100% of the projected cost is transferred.
- 8) Reduce each LEA's allotment on the basis of ADM grades 6-12 to provide the sum for State-level operations and administration of NCVPS.
- 9) Beginning FY 2012-2013 and annually afterward this reduces each LEA or charter school's allotment on the basis of ADM in grades 6-12 an amount that is the difference between \$2,000,000 and the balance in the NCVPS enrollment reserves.
- 10) [SL 2012-142, Section 7.12](#) provides the ability to use different funding sources to pay for NCVPS courses. The only funds that may be used for the instructional costs of NCVPS are the following:
  - a) Funds provided through the North Carolina Virtual Public Schools Allotment Formula.
  - b) Funds provided through the NCVPS enrollment reserve as set forth in this section.
  - c) Local funds.
  - d) Federal funds.

- e) Special State Reserve Funds for Children and Youth with Disabilities.
- f) ADM Contingency Reserve.



# ~~2020-2021~~2021-2022

## ALLOTMENT POLICY MANUAL

### State Formulas



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~~**ASSISTANT PRINCIPAL INTERNS—PRINCIPAL FELLOWS (PRC 066)**  
**[NOT ACTIVE EFFECTIVE 7/1/2021]**~~

~~PROGRAM REPORT CODE: 066  
UNIFORM CHART OF ACCOUNTS CODE: XXXX-066-XXX  
STATUTORY REFERENCE: SL 2018-5, Section 8.4(e)  
SL 2020-49 Part VII~~

~~TYPE: Dollars  
TERM: Varies July 1—June 30  
PURPOSE: Provides funding for stipends to full-time students working on a master's degree in school administration programs who are serving in an approved intern program.  
ELIGIBILITY: Full-time Master of Student Administration (MSA) students serving in a ten-month or less internship in the Principal Fellows Program.  
FORMULA: Stipends are allotted for the duration of the internship. The stipend for a Principal Fellow will be equivalent to 40% of the higher of the beginning salary of a certified assistant principal, or what the individual would have earned on the teacher salary schedule plus social security as specified in the North Carolina Public School Personnel State Salary Schedule. Please note that these individuals are not recognized as full-time employees of the school system and **are not eligible for hospitalization or retirement contributions.**~~

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~~SPECIAL PROVISIONS:~~

~~None~~

**ASSISTANT PRINCIPAL INTERNS – MSA STUDENTS (PRC 067)**

PROGRAM REPORT CODE: 067

UNIFORM CHART OF ACCOUNTS CODE: XXXX-067-XXX

STATUTORY REFERENCE: [SL 2018-5, Section 8.4\(c\)](#)  
[SL 2020-49 Part VII](#)

TYPE: Dollars

TERM: Varies July 1 - June 30

PURPOSE: Provides funding for stipends to full-time students working on a master's degree in school administration programs who are serving in an approved intern program.

ELIGIBILITY: Full-time Master of Student Administration (MSA) students serving in a ten month or less internship in an Institutes of Higher Education offering the program.

FORMULA: Stipends are allotted for the duration of the internship. The stipend for an MSA Student will be the higher of the beginning salary of a certified assistant principal, or what the individual would have earned on the teacher salary schedule plus social security as specified in the North Carolina Public School Personnel [State Salary Schedule](#). Please note that these individuals are not recognized as full-time employees of the school system and **are not eligible for hospitalization or retirement contributions.**

SPECIAL PROVISIONS:

None

## CHARTER SCHOOLS (PRC 036)

PROGRAM REPORT CODE: 036  
UNIFORM CHART OF ACCOUNTS CODE: XXXX-036-XXX  
STATUTORY REFERENCE: [GS 115C, Article 14A](#)  
[SL 2001-424, Section 28.20](#)  
[SL 2020-97 Section 3.1\(1\)](#)

TYPE: Dollars  
TERM: July 1 - June 30  
PURPOSE: Provides state funding to charter schools based on the students attending the school.  
ELIGIBILITY: All charter schools approved by the State Board of Education.  
FORMULA:

Funding for an existing charter school is based on the dollars per ADM of the LEA in which the school is located. Funding for new charter schools is based on the dollars per ADM of the LEA in which the student is, or would be, currently enrolled. The total number of public-school students attending a new charter school will reduce an LEA's initial allotment.

An LEA's initial allotment is also reduced for existing charter schools growing over their planning ADM. LEAs are held harmless and will not have their allotment reduced for the following categories: Central Office Administration and School Building Administration.

A charter school will have 34% of its Initial Allotment available to "draw down" after the General Assembly adjourns.

After the 1st month ADM is submitted, allotments will be recalculated **based on 1<sup>st</sup> month ADM<sup>(1)</sup>** and an additional 34% of the allotment will be made available to the charter school. Note: charters in good financial standing may receive the full annual allocation. Charter schools in financial disciplinary noncompliance may receive their funding in monthly installments.

**(1) Exceptions**

- a) Virtual charter schools shall be funded based on current year month 1 membership last day and adjusted for month 5
- b) Schools serving students at risk of dropping out, as approved by the SBE, shall be funded on Month 5 ADM

~~Unless noted in the exceptions below,~~ Charter schools with a two year history of accurate projections shall be funded at the higher of

1. ~~2020-21~~ 2021-22 actual ~~month 1~~ funded ADM and 2020-21 funded ADM, and
2. ~~2021~~ 2022 Phase II final ADM projection as reported in the CSADM system by the charter school, not to exceed the allotted ~~2020-21~~ 2021-22 ADM

All other charter schools shall be funded at the higher of

1. ~~2020-21~~ 2021-22 actual ~~month 1~~ funded ADM and
2. the prior year funded ~~month 1~~ ADM

For schools that were not open in 2019 or 2020, the school shall be funded based on ~~2020-21~~ the higher of 2020-21 and 2021-22 actual month 1 ADM, not to exceed the legal maximum.

No charter school shall be funded for an average daily membership greater than is permissible by law.

A charter school is deemed to have a history of accurate projections if the projection provided by the charter school in the CSADM system Phase II final Projection was within 2% or 20 ADM of funded ADM in either 2019 or 2020, and the difference between the projection and funded ADM in both 2019 and 2020 did not exceed 10% of the projection. For schools that were not open in 2019, the 2020 year will be the only year used for this assessment.

The final 32% of the allotment will be distributed prior to the end of February.

After 1st month ADM adjustments, a charter school can request additional funding if it has significant growth (20% or more) in months two through four. Requested ADM must be verified and be within the charter school's maximum. The state contingency reserve will be used to fund the prorated increases within funds available. Please refer to the Charter School Financial Guide for instructions for this process.

In addition to the state funding based on dollars per ADM, a charter 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 PRC 036.

#### SPECIAL PROVISIONS:

- 1) During the first 60 school days, if a child with disabilities was included in the prior fiscal year April 1 child count and leaves or returns to an LEA from a charter school, the prorated share of funds allocated for that child will be adjusted. In order to initiate the transfer of funds, the LEA or charter school receiving the students must complete the appropriate transfer request forms by the 10th of the month following the month the child transferred. Children with Disabilities' transfer requests are sent to the School Allotments Section. Please

refer to [www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/allotments--funding-public-school-units#forms](http://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/allotments--funding-public-school-units#forms) for the Children with Disabilities Child Count Transfer System. Notification must include the student's name (first, middle last), PowerSchool number, birth date, the LEA or charter school from which the child came, the date the student transferred, and the beginning date of the current school year.

- 2) A charter in its third year of operation or longer that is in good financial and governance standing, shall receive the balance of its total allocation in the second installment.
- 3) Funding for 1st Month ADM increases will be reduced from the LEA in which the charter school resides if the LEA is declining in ADM after second month. If the LEA is increasing in ADM after the second month, the funding will come from the Contingency Reserve.
- 4) Charter schools will receive an allocation of fines and forfeitures based on dollars per allotted ADM in PRC 036. Unspent funds will revert June 30.
- 5) Funding allotted to purchase diagnostic devices in accordance with the Excellent Public Schools Act ([SL 2012-142 Part VII-A](#)) must be used to purchase diagnostic devices.
- 6) Charter School Staff may participate in the Digital Learning Staff development of the LEA in which they are located.
- 7) Charter Schools, if awarded, will receive funding for Resource Officers for Middle Schools in PRC 036.
- 8) For charter schools, which have been approved by the State Board of Education to serve students who are at risk of or have dropped out of high school, either in the prior year or during the current year, shall be funded based on 5th month ADM. These schools have specialized programs to encourage these students to re-enroll in school and assist them until they have graduated.
- 9) Charter Schools must have a valid Certificate of Occupancy on file with the Office of Charters before any funding can be released for the fiscal year.
- 10) Virtual Charter School Pilots -Virtual Charters are funded based on a dollars per ADM excluding Low Wealth and Small County. The school is funded based on month 1 and month 5 Membership Last Day.

Revised September 28, 2020

**CHILDREN WITH DISABILITIES (PRC 032)**

PROGRAM REPORT CODE: 032  
 UNIFORM CHART OF ACCOUNTS CODE: XXXX-032-XXX  
 STATUTORY REFERENCE: [SL 2018-5, Section 7.1](#)

TYPE: Dollars  
 TERM: July 1 - June 30  
 PURPOSE: Provide funding for the special educational needs and related services of Children with Disabilities. These funds are to be used for:
 

- Children with Disabilities
- [Children with Disabilities](#) Preschool ~~Handicapped~~ State Funding
- Group Homes, Foster Homes, or Similar Facilities

 Funds for Community Residential Centers and Developmental Day Centers are allotted in PRC 063, Children with Disabilities Special Funds.

ELIGIBILITY: All LEAs and Charter Schools are entitled to funding based on the formulas listed below

FORMULA: Children with Disabilities and Preschool Disabled State funded allotments are calculated separately and then combined into one allotment. Matching benefits are included. The individual formulas are listed below.

**CHILDREN WITH DISABILITIES:**

Child count is based on Children with Disabilities child count, ages 5 through 21.

Multiply the lesser of the April 1 child count or an overall ~~12.75%~~ [13.00%](#) cap of the Allotted ADM by the dollar per child count funding factor.

**CHILDREN WITH DISABILITIES PRESCHOOL ~~HANDICAPPED~~:**

Each LEA receives a base amount equal to the average salary of a classroom teacher plus benefits. All remaining are distributed based on the April 1 child count of children ages 3, 4, and pre-K5.

**GROUP HOMES, FOSTER HOMES, OR SIMILAR FACILITIES:**

The Exceptional Children Division reimburses Local Boards of Education the per-child allocations for average daily membership (ADM), state aid (April 1st) and IDEA 611 (December 1st) of children with disabilities assigned to group homes, foster homes, or similar facilities.

Applications may be found at <https://ccip.schools.nc.gov>.

SPECIAL PROVISION:

- 1) No Funds shall be transferred out of this category.
- 2) Funds ~~can~~ may be used to transport preschool aged children with disabilities ~~handicapped students~~ only. Transportation for school age children must be paid from transportation funds (PRC 056) or see special provision for State State Reserve PRC063.
- 3) Refer to Policies Governing Services for Children with Disabilities produced by the Exceptional Children Division and to the School Attendance and Student Accounting Manual produced by the Division of School Business.
- 4) LEAs are encouraged to use teacher positions generated by that portion of their total ADM that is made up of children with disabilities to fund children with disabilities teachers.
- 5) Funds for Children with Disabilities will be reduced based on on-site audits and the determination that students are found to be in non-compliance with State/Federal regulations.
- 6) If two or more LEAs are consolidated into one LEA, the Children with Disabilities ~~Handicapped~~ allotment shall not be less than the same allotment to the separate LEAs for the first and second full fiscal years of the consolidation and shall be used for the continuation of the positions, except as specifically authorized by the State Board of Education.
- 7) 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 an LEA or Charter from or to a charter school, the pro-rata share of funds allocated for that child will be adjusted. In order to initiate the transfer of funds, the LEA or charter school receiving the students must enter and submit required information for all students in the NC DPI Child Count Transfer System by the 10th of the month following the month the student transferred. Child Count Transfer System web link is [www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/allotments--funding-public-school-units#forms](http://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/allotments--funding-public-school-units#forms).
- 8) For the 2021-22 fiscal year, PSUs shall receive funds for the number of children with disabilities during the first 40 instructional days of school in excess of the initial funded headcount plus any 60 day transfers, per 7) of this section. The funds will be allocated in a manner consistent with the base funding for this program report code. The PSU may not receive funds for children with disabilities in PRC032, including from these reserve funds, for students in excess of the the 13% cap of the 2021-22 higher of the month 1 and month 2 average daily membership. SL 2021-180 Section 7.24

Revised December 1, 2021



**CHILDREN WITH DISABILITIES - SPECIAL FUNDS (PRC 063)**

PROGRAM REPORT CODE: 063  
 UNIFORM CHART OF ACCOUNTS CODE: XXXX-063-XXX  
 STATUTORY REFERENCE: [2021-180 Section 7.12](#)

TYPE: Dollars  
 TERM: July 1 - June 30  
 PURPOSE: Provide funding for the special educational needs and related services of Children with Disabilities. These funds are to be used for:
 

- Community Residential Centers (3 through 21)
- Developmental Day Centers (3 through 21)
- Special State Reserve (3 through 21)

 ELIGIBILITY: All LEAs and charter schools may submit applications.  
 FORMULA: Formulas for individual purposes are below:

**DEVELOPMENTAL DAY CARE:**

Requests for funding are made on individual applications submitted by the LEA and approved by the Department of Public Instruction, Exceptional Children Division for children receiving their special education and related services in an approved developmental day center. Allotments for identified children are based on an established monthly rate for a maximum of ten months.

**COMMUNITY RESIDENTIAL CENTER:**

Requests for funding are made on individual applications submitted by the LEA and approved by the Department of Public Instruction, Exceptional Children's Division for children receiving their special education and related services in a community residential center. Allotments for identified children are based on an established monthly rate for a maximum of ten months and an adjusted monthly rate for up to two months of Extended School Year (ESY) services.

**SPECIAL STATE RESERVE:**

A reserve has been established to be used when all available state, federal, and local resources have been exhausted. The funds are to be used for emergency situations, such as high cost children or severely disabled children. Requests are made on individual applications submitted in the LEA and approved by the Department of Public Instruction Exceptional Children Division. All allocations will be made within funds available. All withdrawals must be reported within 60 days.

Beginning with the 2021-22 fiscal year, the Special State Reserve may also be used to cover extraordinary transportation costs for high-needs children with disabilities. The LEAs and charter schools shall apply for the funds through the Division of Exceptional Children.

SSRF transportation funds shall be awarded to qualifying local school administrative units consistent with the following:

- A. In determining extraordinary transportation costs, the Department shall consider total prior-year transportation expenditures for high-needs children with disabilities, including expenditures from local funds and all other funding sources, as a proportion of total expenditures.
- B. Applicants with the highest extraordinary transportation costs shall receive the highest priority in the award of grant funds.
- C. Funds may be awarded during the initial year of a high-needs student's enrollment in a LEA or charter school or in subsequent years of the student's enrollment.

**SPECIAL PROVISION:**

- 1) Funds cannot be transferred into or out of this category.
- 2) Refer to NC **Policies Governing Services for Children with Disabilities** produced by the Exceptional Children Division and to [School Attendance and Student Accounting Manual](#) produced by the Division of School Business.
- 3) Developmental Day Centers and Community Residential funds should be expended according to the LEA's approved plan to serve children ages 3 through 21.

**DIGITAL LEARNING INITIATIVE (DLI): DIGITAL LITERACY SOLUTION (PRC 078)**

PROGRAM REPORT CODE: 078  
 UNIFORM CHART OF ACCOUNTS CODE: XXXX-078-XXX  
 STATUTORY REFERENCE: [SL 2017-57, Section 7.23K](#)  
 SL2020-49 Part II

TYPE: Dollars  
 TERM: July 1 - June 30  
 PURPOSE: Support the implementation and adoption of a K-8 digital literacy solution (curriculum and platform) in order to assist educators with the delivery of instruction as well as improve these critical digital literacy skills among students.  
 ELIGIBILITY: LEAs, charter schools, and ISD schools, within economically distressed counties, that have executed local convenience contracts based on the K-8 digital literacy solution statewide Cooperative Purchasing Agreement. Economically distressed counties are those that are designated as Tier I by NC Commerce in the year of the allocation.  
 FORMULA: Eligible public school units, which have opted into the program, shall be allotted funds based on the number of licenses requested at a unit cost equal to the statewide contract unit cost.  
 In the event that the total allocation exceeds the fiscal year appropriation, all allocations shall be reduced on a pro rata basis.

**SPECIAL PROVISION:**

- 1) Funds shall only be used for software licenses from the vendor selected via the competitive procurement process.
- 2) Use of funds is subject to audit to ensure that purchased licenses are utilized by the public school unit. Unutilized purchased licenses are subject to a refund to the State.
- 3) Allocations that are not expended for licenses **by November 30** of the fiscal year shall revert to DPI and utilized for implementation of the State's Digital Learning Plan.  
For FY 2021-2022 only the deadline for expending for the licenses is extended to January 31, 2022.
- 3)4) Funds for charter schools shall be allotted in PRC 036 and for ISD in PRC 044.
- 4)5) Funds for the Renewal School System, if eligible, shall be allotted in PRC 037. Funds are not eligible for carryover.

**INNOVATIVE SCHOOL DISTRICT (ISD) (PRC 044)**

PROGRAM REPORT CODE: 044  
UNIFORM CHART OF ACCOUNTS CODE: XXXX-044-XXX  
STATUTORY REFERENCE: [GS 115C, Article 7A](#)

TYPE: Dollars  
TERM: July 1 - June 30

PURPOSE: The ISD is established by statute under the State Board of Education and the Superintendent of Public Instruction to manage and operate schools that have been selected as innovative schools. For fiscal Year 2021-22, Southside Ashpole Elementary School is the only school in the ISD.

Effective July 1, 2021, The State Board of Education ~~shall not select any additional schools for the ISD. is authorized to select, upon the recommendation of the ISD Superintendent, no more than five qualifying elementary schools to transfer to the ISD as innovative schools. The five qualifying schools selected for inclusion in the ISD should represent geographic diversity, including urban and rural schools. The State Board of Education shall select no more than one qualifying school per local school administrative unit, unless the local board of education consents~~ The State Board of Education may contract with an Innovative School (IS) operator for each the innovative school.

ELIGIBILITY: The ISD is eligible for the funds under this PRC.

FORMULA: The IS operator shall select one of the allocation methods as the method to be used for the innovative school, as outlined in [GS 115C-75.10](#).

**SPECIAL PROVISION:**

- 1) The State Board shall allow for annual adjustments to the amount allocated to the ISD based on the enrollment changes in the innovative schools in school years subsequent to the initial year of operation.
- 2) The ISD may seek, manage, and expend federal money and grants, State funding, and other funding with the same authority as a local school administrative unit, including decisions related to allocation of State funds among innovative schools. The ISD shall be considered a local school administrative unit for all federal funding purposes.

- 3) The ISD shall be allotted 34% of its Initial Allotment available to "draw down" after the General Assembly adjourns, based on the projected total ADM of the innovative schools provided by the ISD. Final allotments shall be recalculated based on the higher of current year Month 1 ADM and prior year month 1 ADM and 100% of the allotment shall be made available to the ISD.
- 4) After first month ADM adjustments, the ISD may 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 any prorated increases within funds available.
- 5) In addition to the state funding based on dollars per ADM, the ISD may receive Children with Disabilities and Limited English Proficiency funding if the ISD qualifies. These special funds plus the dollars per ADM funding are distributed under PRC 044.  
An additional amount for each child attending the innovative school who is a child with disabilities. In the event a child with disabilities leaves the innovative school and enrolls in a public school during the first 60 school days in the school year, the innovative 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 innovative school during the first 60 school days in the school year, the State Board shall allocate to the innovative school the pro rata amount of additional funds for children with disabilities.

Revised September 28, 2020

[Revised December 2, 2021](#)

**INSTRUCTIONAL SUPPORT PERSONNEL – CERTIFIED (PRC 007)**

PROGRAM REPORT CODE: 007  
UNIFORM CHART OF ACCOUNTS CODE: XXXX-007-1XX  
STATUTORY REFERENCE: [GS 115C-105.25\(b\)](#)  
[SL 1993-769, Section 19.24](#)

TYPE: Positions

TERM: 10 months: July 1 – June 30

PURPOSE: Provides funding for salaries for certified instructional support personnel to implement locally designed initiatives that provide services to students who are at risk of school failure as well as the students' families. It is the intent of the General Assembly that the positions must be used first for counselors, then for social workers and other instructional support personnel that have a direct instructional relationship to students or teachers to help reduce violence in the public schools. They shall not be used as administrators, coordinators, supervisors, or directors.

ELIGIBILITY: Each LEA is entitled to positions. The number of positions allotted is based on the formula listed below

FORMULA: These positions are allotted on the basis of one position per calculated allotted ADM. For city LEAs with an ADM of less than 3,000, all fractions will be rounded up to the next whole position. The positions are then multiplied by the LEA's average salary plus benefits.

After the first month of school, an LEA can request additional resources due to extraordinary student population growth. Allotments will be adjusted within available funds.

All partial positions 0.25 and over are rounded up to the nearest whole position.

**SPECIAL PROVISION:**

~~1) Local boards of education may transfer any portion of a position allotment to dollar allotments only for contracted services, which are directly related to school nursing and school psychology. Transfers for this purpose should be requested in writing to the Division of School Business. Converting certified position allotments to dollars for the purpose of~~

~~hiring the same type position is not allowable. The following limitations apply to the conversion:~~

~~**a) School Nurse:**~~

~~i) One nurse for every 3,000 ADM or at least one per county.~~

~~**b) School Psychologist:**~~

~~i) One for every 2,000 ADM or at least one per county.~~

~~ii) Certification that the local board was unable to employ certified school psychologists.~~

~~iii) Contracted services are limited to initial evaluations, revaluations for exceptional children, assessments, consultations, and counseling.~~

~~**c) Both Nurse and Psychologist:**~~

~~ii) Prior approval from the Division of School Business.~~

~~iii) Position (whole or half) will be converted at the statewide average salary level of an Instructional Support Certified position, including benefits.~~

~~iv) The dollar amount utilized for contracted services may not exceed the amount allocated to the local school system. The dollar allotment (salary, plus benefits) will be transferred to Instructional Support Personnel—Non-certified.~~

~~2) Each LEA is responsible for the identification of Instructional Support Personnel—Certified as teachers, librarians, school counselors, school psychologists, school nurses, and school social workers.~~

~~3) Upon written notification to the Division of School Business, certified support personnel positions may be transferred to dollars for non-certified personnel. All transfer requests must be received within the fiscal year that payment to the individual is made. There will be no prior year adjustments approved. If this option is selected, the resulting positions and dollars will be transferred to a separate allotment category entitled "Instructional Support Personnel—Non-certified" which is a dollar allotment.~~

4) The positions can be used for teachers to reduce class size in all grades without a State Board of Education (SBE) Waiver or a transfer of funds. Funds can be transferred for any purpose except where limited by the ABC Transfer Policy by submitting an ABC Transfer Form in the Allotment System. The conversion rate will be the A00 step on the Salary Schedule, plus benefits.

5) Any school which is eligible for a principal and contains grades K-12, with a total student population not sufficient to generate one instructional support position (ADM less than 150) will be allotted one instructional position, within funds available for Instructional Support. This does not include schools identified as alternative or special schools. The LEA must allocate additional positions provided under this provision to the school that generated the additional positions.

6) Military Family Counselor position shall be allotted to Cumberland (2), Onslow (2), Wayne (1) and Craven (1)

## **NONINSTRUCTIONAL SUPPORT PERSONNEL (PRC 003)**

PROGRAM REPORT CODE: 003  
UNIFORM CHART OF ACCOUNTS CODE: XXXX-003-XXX  
STATUTORY REFERENCE:

TYPE: Dollars  
TERM: Varies, July 1 - June 30  
PURPOSE: Provides funding for non-instructional support personnel and associated benefits. These funds may be used at the central office or at individual schools. The funds may be used for:

- Clerical Assistants
- Custodians
- Duty Free Period
- Liability Insurance
- Substitutes
- Textbook Commission Clerical Assistant

ELIGIBILITY: Each LEA is entitled to funding. The dollars allotted are based on the formula listed below.

FORMULA: Funds are allotted on the basis of dollars per allotted ADM. \$6,000 for clerical assistants is allotted to each LEA with a member in the textbook commission.

### **SPECIAL PROVISION:**

- 1) The LEA shall determine the assignment, the length of employment, and the pay level in accordance with the North Carolina Public School Personnel State Salary Schedule. Substitutes must be paid in accordance with General Information Section of the Allotment Policy Manual.
- 2) There is no limit on the number of individuals that can be employed as long as all employees are placed on the North Carolina Public School Personnel [State Salary Schedule](#) and the LEA does not exceed the total dollars.
- 3) 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 clerical assistants and custodians.
- 4) Funds may be transferred with no restrictions by submitting ABC Transfer Form.
- 5) Employment of Textbook Commission Clerical Assistants is at the discretion of the Textbook Commission member; however, the employment of clerical assistants must follow the guidelines that govern the employment of other personnel within the LEA. Members are



- strongly advised **not** to hire members of their immediate family. The LEA that employs the clerical assistant codes their salary as an expense.
- 6) An increase in each LEA's allotment will be made on a **monthly semi annual** basis based upon the LEAs extended sick leave, personal leave, and other leave requiring deductions from the teacher's pay ~~(\$50)~~.
  - 7) A reserve of \$250,000 has been established for LEAs who are in need of economic relief due to prolonged teacher absences resulting in an unpredictably large increase in substitute expenses. LEA requests for funds will be granted based on the criteria in this policy as long as funds are available.
    - a) The LEA must send a written request to the Public Schools of North Carolina, School Allotments Section, stating:
      - i) Why the additional funds are needed. (Provide details of the qualifying condition with supporting documentation.)
      - ii) The amount needed. (Provide details of how this amount was determined.)
      - iii) Why other sources of funds are not available.
    - b) The LEA must have not transferred any funds out of non-instructional support during the fiscal year for which additional funds are requested.
    - c) Request must be made by April 1 to allow time for processing and ensure expenditures are paid prior to June 30.
  - 8) Public school units shall be reimbursed for the substitute cost of teachers who attend the Holocaust workshop provided by the NC Council on the Holocaust. The list of attendees is provided by the Council.
  - 9) If the Governor, State Board Chairman, or State Superintendent of Public Instruction schedules an event (meeting) to invite teachers, funds will be allotted to cover the cost of substitutes while the teachers are out of the classroom.
  - 10) Small Restructured High Schools – Schools restructuring into smaller learning communities with agreements with the New Schools Project, will receive funding equivalent to one additional clerical position. ([SL 2009-451 Committee Report Page F 4, Item #29](#))
  - 11) The Excellent Public Schools Act provided additional funding for the addition of 5 days within the existing school calendar. [[SL 2012-142, Section 7A.6\(a\)](#)]

## **RESTART SCHOOLS AND RENEWAL SCHOOL SYSTEMS (PRC 037)**

### **RESTART SCHOOLS**

PROGRAM REPORT CODE: 037  
UNIFORM CHART OF ACCOUNTS CODE: XXXX-037-XXX  
STATUTORY REFERENCE: [GS 115C-105.37B](#)

TYPE: Dollars  
TERM: July 1 - June 30  
PURPOSE: To approve a local board of education's request to reform any school in its LEA which the State Board of Education has identified as one of the continually low-performing schools in North Carolina.  
ELIGIBILITY: LEAs which have applied for and been approved by the State Board of Education to convert continually low-performing schools to the legislated restart model.  
FORMULA: The restart model provides the same exemptions as a charter school and therefore, the following will apply to an LEA that has a State Board of Education approved Restart school.

DPI will fund the LEA based on the legislated funding formulas and the allotted average daily membership (ADM) of the LEA.

#### **SPECIAL PROVISION:**

- 1) The LEA is required to transfer an amount equal to the State average per pupil allocation for the LEA for the ADM of the school into a restricted PRC. The average per pupil allocation will exclude transportation, exceptional children (EC), and limited English proficiency (LEP) funds.
- 2) The ADM will be the school's ADM per the Month 1 Principals Monthly Report.
- 3) The average per pupil allocation will include the guaranteed expenditures (PRC 009), however the LEA shall be allowed to expend for the Restart school in PRC 009.
- 4) The LEA is required to ensure that adequate services for exceptional children and limited English proficient students are provided. EC and LEP allotments shall not be transferred into this PRC. Program expenditures for students in Restart schools shall be accounted in PRC 032 and 054, respectively.
- 5) LEA transportation allotment may be used to transport students.
- 6) Other funds shall be provided consistent with charter schools. e.g., Summer camps, etc.
- 7) Restrictions on transfers:

- a) Transfer restrictions outlined in the Allotment Policy Manual apply, unless exception noted in this document.
- b) State position allotments will be converted at the LEA average salary for that position plus benefits.
- c) Career Technical Education funds may be transferred if the school serves students in grades 8-12, up to a calculated cap.
- d) Teacher assistant funding may be transferred into the restricted Restart PRC with no limit.
- e) Transfers from PRC 056 transportation are not allowable.
- f) LEAs are restricted to the required transfer and may not transfer funds in excess of the requirement. Funds in the restricted PRC shall only be used for the Restart school(s).
- g) LEAs may use funds from other state allocations for the school(s).
- h) Funds transferred into the Restart PRC shall not be transferred out.
- i) The LEA shall make all transfers into the Restart PRC by ~~November 1~~ January 31, 2022. If the LEA has failed to transfer the appropriate amount, the School Allotments Section shall transfer any remaining balance from PRC 003 Non instructional support. If there are insufficient funds in PRC 003, to fulfill the requirement, the remaining balance shall be transferred from PRC 024 Disadvantaged Student Supplemental Funding.

## **SCHOOL BUILDING ADMINISTRATION (PRC 005)**

PROGRAM REPORT CODE: 005  
UNIFORM CHART OF ACCOUNTS CODE: XXXX-005-XXX  
STATUTORY REFERENCE: [GS 115C, Article 19](#)  
[SL 1993-769, Section 19.24](#)  
[SL 2011-145, Section 7.14\(a\)](#)

TYPE: Months of Employment (MOEs)  
TERM: 10, 11, or 12 months, July 1 - June 30  
PURPOSE: Provides funding for salaries including benefits for principals and assistant principals  
ELIGIBILITY: Each LEA is entitled to months of employment. The months of employment allotted are based on the formulas listed below.  
FORMULA: Principal and Assistant Principal Allotments are consolidated to allow more flexibility at the local level. The allotments are calculated separately and then combined into one allotment.

### **PRINCIPALS:**

Each school with 100 or more pupils in final ADM and/or seven or more full-time equivalent state allotted/paid teachers and instructional support personnel, unrounded, (based on prior year 6th pay period) is entitled to twelve months of employment for a principal, within funds available. In accordance with [SL 2011-145, Section 7.14\(a\)](#), a school that opens after July 1, 2011 with less than 100 students in final average daily membership is not entitled to 12 months of employment for a principal. Year-round schools, multi-track organizational patterns, and other sub-urbanization patterns developed within the existing framework of an established campus are not automatically entitled to additional months of employment. The total months are then multiplied by the LEA's average monthly salary (based on prior year 6th pay period salary adjusted for legislated increases and benefits).

If a school opens on or after November 1, a principal allotment will be prorated based on the date of the school opening, within available funds. New school openings will be verified based on current year 2nd month ADM. If the schools are not open, or if they do not qualify for a principal, their principal allotment will be reduced. If this ineligible school was allotted 4 additional principal months in the previous fiscal year for school planning, the 4 months will also be reduced from the current year's allotment.

ADM is based on the final ADM for the prior year as reported on the Principal Monthly Reports (PMR).

FTE information obtained from the 5th and 6th pay periods will be as reported. 202 adjustments shall not be considered.

#### ASSISTANT PRINCIPALS:

One month of employment per 98.53 allotted ADM rounded to the nearest whole month. The total months are then multiplied by the LEA's average monthly salary (based on prior year 6th pay period plus LI) plus benefits.

Fractions of months of employment are rounded up to the nearest month for small city LEAs with ADM less than 3,000 students.

#### SPECIAL PROVISION:

##### 1) PRINCIPALS:

- a) If a school does not meet the conditions specified above, then a teaching position may be used as principal of that school. Teachers employed as principals of schools with less than seven but more than two teachers should be paid for ten months on the appropriate pay level for building principals as specified in the North Carolina Public School Personnel State Salary Schedule.
- b) In the event the closing or reorganization of schools in an LEA causes a reduction in the principal allotment, the allotment shall be held harmless the first and second fiscal years following the reduction of the principal allotment, provided that the reduction in the principal allotment continues in the second year. Principal allotments provided for schools that are open for two years or less shall not be considered in this hold harmless calculation.
- c) A teacher may be reassigned to fill in for a principal after the principal has been on sick leave for at least ten (10) days. The reassignment shall be allowed until the principal returns to work or exhausts sick leave.
- d) Funds may be transferred for any purpose, except where prohibited elsewhere in the ABC transfer policy, by submitting an ABC Transfer Form. The salary transferred will be based on the first step of the principal Base salary schedule. Converting certified position allotments to dollars for the purpose of hiring the same type position is not allowable.
- e) The State Board of Education must approve waivers for placement of Principals on the salary schedule for Low-Performing schools.
- f) An LEA may submit in writing to the School Allotments Section a request for up to four additional principal months of employment for new schools (which will qualify for a principal allotment). This request needs to include the following information: school opening date, number of months requested, estimated ADM, estimated state allotted/paid teacher and instructional support FTEs, and the effective date that the principal begins the performance of administrative duties for the new school. This policy only applies to additional regular education schools opening within the district. It does not apply to alternative schools or schools that are replacing existing schools within the LEA. The allotment could be prorated based on the date that the request is received. The allotment of additional principal months will depend on the availability of funds.

- g) Small Restructured High Schools – Schools restructuring into smaller learning communities shall receive a principal position per new site.
- h) Approved STEM (Science, Technology, Engineering and Math) schools shall receive a principal per site.

2) ASSISTANT PRINCIPALS:

- a) These positions shall be used only for non-teaching activities.
- b) LEAs may employ assistant principals for 10, 11, or 12 months. LEAs cannot exceed allotted months of employment.
- c) Assistant principal months may be allotted within funds available to an LEA if the sub-organizational structure of a school within that LEA creates a distinct separate operating entity within an existing school such as an exceptional children wing of a school with integrated/shared programs. The allotments must be requested and appropriated on an annual basis. The LEA must show a need for funding not already included in the regular ADM assistant principal allotment or exceptional children programs. The identification of separate grade spans within a school does not qualify for additional funding under this provision.
- d) Funds may be transferred for any purpose, except where prohibited elsewhere in the transfer policy, by submitting an approved ABC Transfer Form. Funds related to Assistant Principal Months of employment shall be transferred based on the first step of the Assistant Principal Salary Schedule. Funds may be transferred out. Converting certified position allotments to dollars for the purpose of hiring the same type position is not allowable.
- e) Small Restructured High Schools – Schools within an existing school as approved will be reduced for Assistant Principal Months of Employment. ([SL 2005-276, Section 7.52](#))

**SCHOOL PSYCHOLOGIST – POSITION (PRC 006)**

PROGRAM REPORT CODE: 006  
UNIFORM CHART OF ACCOUNTS CODE: XXXX-006-1XX  
STATUTORY REFERENCE: GS 115C-316.5  
SL 2021-180 Section 7.6

TYPE: Positions  
TERM: 10 months: July 1 – June 30  
PURPOSE: Provides funding for salaries for certified school psychologist personnel to implement locally designed initiatives that provide mental health services for students and staff. It is the intent of the General Assembly that the positions must only be used for School Psychologists.

ELIGIBILITY: Each LEA is entitled to positions.

FORMULA: These positions are allotted on the basis of :

- a minimum of one position per LEA
- the remaining funding allotted per ADM .

Positions ar rounded to the nearest one-half position

**SPECIAL PROVISION:**

- 1) Local Boards of Education may transfer any portion of a position allotment to PRC 008 dollar allotments only for contracted services, which are directly related to school psychology. These position shall be converted at the minimum salary for school psychologist on the “A” Teachers Salary Schedule. If this option is selected, the resulting positions and dollars will be transferred to a separate allotment category entitled "School Psychologist Conversion to Dollars (PRC 008).
- 2) Local Boards of Education shall ensure that each LEA employs at least one full-time, permanent school psychologist beginning with the FY 2022-2023 school year.

**SCHOOL PSYCHOLOGIST CONVERSION TO DOLLARS (PRC 008)**

PROGRAM REPORT CODE: 008  
UNIFORM CHART OF ACCOUNTS CODE: XXXX-008-3XX  
STATUTORY REFERENCE: GS 115C-316.5  
SL 2021-180 Section 7.6

TYPE: Dollars  
TERM: July 1 – June 30  
PURPOSE: Provides a separate account into which LEAs may convert School Psychologist Positions to pay for contracted school psychology services.  
  
ELIGIBILITY: Each LEA may convert positions to this account from PRC 006.  
FORMULA: School Psychologist positions (PRC 006) shall be converted at the minimum salary for school psychologist on the “A” Teachers Salary Schedule.

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SPECIAL PROVISION:

- 1) Contracted services must be directly related to school psychology.
- 2) LEAs must request in writing to the School Allotments Section in the Division of School Business the number of positions to be converted.



**SMALL COUNTY SUPPLEMENTAL FUNDING (PRC 019)**

PROGRAM REPORT CODE: 019  
 UNIFORM CHART OF ACCOUNTS CODE: XXX0-019-XXX  
 STATUTORY REFERENCE: [SL 2018-5, Section 7.4](#)  
[SL 2021-180 Section 7.4](#)

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.

| FORMULA: | <u>Allotted ADM</u>      | <u>Small County Allotment</u> |
|----------|--------------------------|-------------------------------|
|          | <del>0 – 600</del>       | <del>\$1,710,000</del>        |
|          | <del>601</del> 0 – 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 – 3,300            | \$1,548,000                   |

**SPECIAL PROVISION:**

- 1) This is a Phase-Out Provision. If a local school administrative unit becomes ineligible for funding, 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. GS 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))
  - d) 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:
    - a) The county can show:
      - i) that it has remedied the deficiency in funding, or
      - ii) that extraordinary circumstances caused the county to supplant local expense funds with funds allocated under this section.
    - b) Examples include:
      - i) Closing/merging schools within an LEA.
      - ii) Loss of federal Impact Aid funds.
      - iii) 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.

**WAIVERS FOR UNALLOWABLE CATEGORIES (PRC 006)**

~~PROGRAM REPORT CODE: 006~~  
~~UNIFORM CHART OF ACCOUNTS CODE: XXXX-006-XXX~~  
~~STATUTORY REFERENCE:~~

~~TYPE: Dollars~~  
~~TERM: July 1—June 30~~  
~~PURPOSE: Provides a separate account into which LEAs may transfer funds to cover the purchases of items (not personnel) not found in the Chart of Accounts for other categories.~~  
~~ELIGIBILITY: Each LEA is entitled to transfer funds to this account.~~  
~~FORMULA: N/A~~

**SPECIAL PROVISION:**

~~If included in a school's Improvement Plan, funds may be transferred to this category by submitting an ABC Transfer Form to the School Allotments Section.~~