FY 2026-27 State Initial Allotments FAQ

1. What benefit rates were applied per Senate Bill 257?

Per SB257, Session Law 2026-41, the FY2026-27 retirement rate is 26.10% and the maximum annual employer contribution for the state health plan is $8,925.

2. How much of the initial allotments are for the salary increases and benefit changes?

The salary and benefits are distributed at the state level to each PRC before individual LEA allotments are calculated.

3. Were any PRCs prorated like the Planning Allotments?

All initial allotments were funded at 100% per the formula and funds available.

4. Why did my Transportation allotment change from that of Planning?

The Office of District Operations determines the actual allotment amounts for PRC 0056 Transportation of Pupils, please contact that office for related questions.

5. Why did my Limited English Proficiency (LEP) allotment decrease from that of Planning?

SB257 streamlined the LEP formula (PRC 0054), removing the concentration factor from the formula and providing a funding provision that any local school administrative unit with an ADM of 20,000 or less shall not decrease more than $50,000 compared to their fiscal year 2025-26 allotment. For additional information see G.S. 115C-472.30.

6. When will FY25-26 state carryforward be distributed?

All State funds are reverted as of June 30, 2026 each year. State carryforward is reallotted annually once OSBM authorizes release of these funds.

6. How do these questions apply to charter schools?

All salary and benefit increases and program funding adjustments as stated in #1 to 5 above have been included in the $ per ADM for each LEA, which is the basis for the charter initial allotment. Charter school allotments are not authorized for carryforward with the exception if PRC0016 Summer Reading Camps.

FY 2026-27 Textbooks and Instructional Materials – LEAs only

Senate Bill 257, Section 7.4, sunset the textbook commission and eliminated new funding to PRC 0131, Textbook and Digital Resources. It also created the new Instructional Materials allotment that will be accounted for in new PRC 0133.

1. Will the funds remaining in PRC 0131-Textbooks and Digital Resources revert?

No, LEAs may continue to expend any accrued balances out of PRC 0131-Textbook and Digital Resources until fully expended. Any balance will continue to be allotted annually in PRC 0131.

2. How will the new Instructional Materials allotment be calculated and distributed?

The new Instructional Materials allotment will be distributed based on Allotted ADM in Grades K-13 in PRC 0133 as part of the initial allotments.

3. What are allowable expenditures from the new PRC Instructional Materials?

Instructional Materials includes supplementary materials and software necessary for the use of the instructional materials and supplementary materials. In addition, the cost of maintenance of the instructional materials is an allowable expense. The Chart of Accounts is very similar to the chart of accounts for PRC 0131.

4. What is defined as Instructional Materials?

SB257 defines instructional materials as “Systematically organized materials comprehensive enough to cover the primary objectives outlined in the standard course of study for a grade or course.” Acceptable formats include print and nonprint materials including books, classroom kits, activity-oriented programs, and digital resources.

3. What is the ABC transfer policy for PRC0133-Instructional Materials funds?

Funds may not be transferred out of this PRC.

4. What is the Restart transfer policy for Instructional Materials funds?

These funds can be used to fund Restart schools.

5. Will the PRC0133- Instructional Materials revert?

SB257 states that all funds allotted in PRC 0133 in fiscal years 2027, 2028, and 2029 will carryforward until expended. The balances will be part of the carryforward process each year. After FY 2028-29, new funds in PRC 0133 will revert at the end of the fiscal year.

For questions concerning the use of Instructional Materials please contact School Financial Reporting, SchoolFinancialReporting@dpi.nc.gov.