

Preliminary Initial Allotments

State PRCs

(2025-26 School Year)

Overview: The NC General Assembly has not yet passed a budget for the 2025-27 Fiscal Biennium. The state will start FY 25-26 on a continuing resolution under G.S. 143C-5-4. For this reason, preliminary initial allotments will represent the floor of funding we expect for FY 25-26.

What is the continuing resolution?

The continuing resolution allows the state to continue on what is basically last year's budget. This avoids a shutdown when the state does not have a new budget. The continuing resolution restricts spending increases.

How are the preliminary initial allotments calculated?

They will be the lowest amount that we believe will be allotted this year. For each PRC and each PSU, the preliminary initial allotment is the lowest of last year's funding (the continuing resolution), the House proposed budget, or the Senate proposed budget. See page 10 of the State Allotment Policy Manual for a definition of which allotments are Initial Allotments.

Why are these allotments lower than planning?

DPI cannot allot money that is not currently in the budget. These preliminary allotments are intended to give each PSU a floor to start the school year. We hope this approach will prevent us having to decrease allotment amounts.

Which allotments are affected?

The General Assembly has not passed \$104,248,624 in technical adjustments for the budget that would represent changes in average salaries, ADM, and headcount changes. These technical adjustments were included in your planning allotments. This affects the following initial allotments: 001, 003, 004, 005, 006, 007, 027, 031, 034, 061, 063, 069, and 131.

In addition, the House and Senate budget proposals included cuts to funding that affect the following allotments:

PRC	House Budget	Senate Budget
002- Central Office	No change	Reduces by 5% (\$6,236,038)
031- Low Wealth	Freezes at FY 2024-25 allotment	No change
054- Limited English Proficiency	Changes formula to remove floor, cap, and concentration factor	Changes formula to remove floor, cap, and concentration factor

When can we expect to see additional initial allotment amounts?

Should the NC General Assembly appropriate additional funds for initial allotments or pass legislation that provides a final determination on the PRCs that are in conflict, DPI will increase allotment amounts within 10 days of those appropriations being ratified into law.