

Teacher Legislated Performance Bonuses – LEAs and Other Public Schools

Continuation Budget of [Session Law 2023-134 Section 7A.3](#)

2025-26 School Year

I. OVERVIEW

This FAQ addresses bonuses for teachers based on EVAAS growth scores for the following:

- 3rd Grade Reading
- 4th and 5th Grade Reading
- 4th to 8th Grade Math

Terms

For purposes of this document the following terms are used:

“other public schools”	Include charter schools, Lab Schools and regional schools.
“Public school unit”	Includes local education agencies, charter schools, lab schools and regional schools
“eligible teacher”	1) Is a teacher who is in the top 25% of the State or LEA based on the EVAAS scores in a grade/subject, as determined by DPI; 2) Is a teacher employed by an LEA that employed in school year (SY) 2024-2025 three or fewer total teachers in that teacher’s grade level as long as the teacher has an EVAAS student growth index score from the previous year of exceeded expected growth in one of the above subject areas.
“qualified teacher”	Is an “eligible” teacher who 1) is teaching in the same LEA/other public school at least from the school year the data is collected until January 1, 2026. Qualified teacher is determined by LEA/other public school; or 2) retired between the last day of the 2024-25 school year and January 1, 2026 and who either a) is the age of at least 65 with five years of creditable service, b) is the age of at least 60 with 25 years of creditable service, or c) has thirty years of creditable service.

Allotments

State Board of Education Allotment policies related to these bonuses are posted on the Allotments website here - [Allotments Website](#)

PRC 0046 Third Grade Read to Achieve Teacher Bonus

PRC 0048 Principal and Other Teacher Performance Bonuses

PRC includes bonuses for 4th & 5th grade reading, 4th to 8th grade math

Note: PRC 0048 is also used for principal, AP/IB, and CTE bonuses. Using the correct purpose code for the individual bonuses within PRC 0048 is critical for audit and reporting purposes.

Other Public Schools - Charter schools, Lab Schools and Regional Schools

Bonus funds are allotted in PRC 0046 and PRC 0048.

The funds are restricted for the teachers designated in the top 25% and shall not be used for any other purpose. Expenditures must be coded to these PRCs and not to PRC 0036/0038.

Failure to follow the instructions may result in the funds being reverted and not available for use.

Expenditures

It is critical for LEAs and charter schools to code the bonuses in the appropriate PRC and purpose codes. Failure to follow the instructions will result in a reversion of funds.

Full chart of accounts is located on DPI's website here - [Chart of Accounts](#)

The bonus is NOT subject to retirement. It is subject to social security.

Coding is as follows:

PRC 0046 – Third Grade Reach to Achieve Bonus ONLY

Bonus	1X-51100-0046-01800
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Social Security	1X-51100-0046-02110
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PRC 0048 – 4th & 5th Reading AND 4th to 8th Math

Bonus	1X-51100-0048-01800
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Social Security	1X-51100-0048-02110
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II. Procedure

A. 3rd Grade Reading Bonus

Program Contact: Tom Tomberlin thomas.tomberlin@dpi.nc.gov

Financial Contact: School Business SchoolFinancialReporting@dpi.nc.gov

This bonus has 2 criteria and is determined based on EVAAS growth scores.

1. \$5m appropriated to pay for bonuses to the top 25% of the 3rd grade teachers in the State.
2. \$5m appropriated to pay for bonuses to the top 25% of 3rd grade teachers in each LEA. **Note:** teachers in other public schools (e.g. charter schools) are not eligible.

To be qualified the teacher must remain employed as a teacher in the same public school unit at least from the end of the school year the data is collected until January 1, 2026 or meet the retirement criteria outlined in the definition of “qualified teacher” above.

DPI will:

- Determine the eligible teachers who are in the top 25% for both State and LEA bonus.
- Provide the names of the teachers eligible in each category to the LEAs and other public schools. See program contact person for questions related to teachers identified.
- Determine the dollar amount of the bonus award for the State level category (this amount changes annually depending on the number of teachers eligible in a specific year).
- Allot funds to each public school unit based on the total eligible teachers who earned a State level bonus- LEAs will determine if each teacher is qualified to receive the bonus. Teachers must be teaching in the same public school unit in the current year to be qualified or meet the retirement criteria outlined in the definition of “qualified teacher” above.
- Allot funds to each LEA based on FY 2024-2025 third-grade allotted ADM for the LEA level bonus. Other public schools are not eligible for the local level bonus.

The LEAs are responsible for:

- Determining if the eligible teachers are qualified to receive the bonus.
- Validating that the teacher is still working as a teacher in the same LEA or, if not employed in a LEA, in the same other public school at least until January 1, 2026, or otherwise meets the retirement criteria outlined in the definition of “qualified teacher” above.
- Determining the bonus amount for the teachers who are in the top 25% of the LEA.
- Paying the teachers in January 2026 for each bonus for which they are eligible and qualified.

B. 4th and 5th Grade Teacher Reading Bonus

4th, 5th, 6th, 7th and 8th Grade Teacher Mathematics Bonus

Program Contact: Tom Tomberlin thomas.tomberlin@dpi.nc.gov

Financial Contact: School Business SchoolFinancialReporting@dpi.nc.gov

This bonus has 2 criteria and is determined based on EVAAS growth scores.

1. \$2,000 bonus to top 25% of the teachers in each grade/subject in the State.
2. \$2,000 bonus to top 25% of teachers in each in each grade/subject in the LEA (other public school teachers are not eligible per legislation).

To be qualified for the bonus, the eligible teacher must remain employed as a teacher in the same public school unit at least from the end of the school year the data is collected until January 1, 2026, or must meet the retirement criteria outlined in the definition of “qualified teacher” above.

DPI will:

- Determine the eligible teachers who are in the top 25% for both the State and the LEA level.
- Provide the names of the teachers eligible in each category to the LEAs and other public schools See program contact person for questions related to teachers identified.
- Allot funds to each public school unit based on the total eligible teachers who earned a State level bonus - LEAs will determine if each teacher is qualified to receive the bonus. Teachers must be teaching in the same public school unit in the current year, or meet the retirement criteria outlined in the definition of “qualified teacher” above, to be qualified.
- Allot funds to each LEA based on the eligible teachers in the LEA who were listed in the top 25% of the LEA. Other public schools are not eligible for the LEA level bonus.

The LEAs are responsible for:

- Determining if the eligible teachers are qualified to receive the bonus.
- Validating that the teacher is still working as a teacher in the same LEA or, if not employed in a LEA, in the same other public school at least until January 1, 2026, or that the teacher meets the retirement criteria in the definition of “qualified teacher” above.
- Ensuring that an individual does not exceed the maximum number of bonuses per legislation. Per SL 2023-134 Section 7A.3.(h), qualifying teachers who are eligible for the State and LEA 4th and 5th grade reading bonuses, or the State and LEA 4th-8th grade mathematic bonuses, may not receive more than two bonuses.
- Paying the teachers in January 2026 for each bonus for which they are eligible and qualified.

III. Questions and Answers

Questions and Answers for 3rd Grade Reading Bonus ONLY

1. *How much is the State level bonus for 3rd grade reading bonus?*

For FY 2024-2025, the State level per teacher bonus amount for the 3rd grade reading bonus is \$3,500.00 (\$3,251.28 bonus payment plus \$248.72 for social security).

2. *How much is the LEA level bonus for 3rd grade reading bonus?*

This will vary by LEA and each LEA will need to do their own calculation.

Per the legislation, the bonus appropriation is allocated to the LEAs based on allotted 3rd grade average daily membership.

These funds are to be equally distributed to the qualified teachers in the LEA. A qualified teacher is a teacher who is in the top 25% of the LEA AND is teaching in the same LEA in the current year.

Example:

School Business allocates \$18,000 to the LEA based on the 2024-2025 allotted third grade ADM.

- DPI identified 6 eligible teachers in the top 25% in the LEA for 3rd grade reading.
- The LEA determined that 2 teachers are not qualified to receive the bonus because they were not employed in the LEA until January 1, 2026.
- The amount of the allotment (\$18,000) is divided amongst the 4 qualified teachers up to maximum allowable bonus amount of 3,500 (plus social security).
- The LEA must account for the social security within the \$18,000.

Therefore, in this example,

Total eligible teachers	6
LEA allotment (bonus + social security)	\$18,000
Qualified teachers	4
Bonus + SS per teacher	$\$18,000/4 = \$4,500$
Bonus ⁽¹⁾ (\$4,500/1.0765)	\$4,180

⁽¹⁾ Maximum bonus is \$3,500 therefore:

Teacher bonus \$3,500 + Social Security

DPI will revert any overage above the cap.

3. *What PRC should we use for 3rd grade reading bonus?*

All funds are allotted in PRC 0046 – expenditures must be coded in PRC 0046 for 3rd grade reading. This includes charter schools, lab schools, and regional schools, which must also use PRC 0046.

4. *We have a teacher who earned a 3rd grade reading bonus AND a 4th grade reading bonus, may we code both the bonuses to PRC 0046?*

No. It is very important that the 3rd grade reading bonuses are separated from the other bonuses and if a teacher earns both a 3rd and a 4th grade bonus, they MUST be coded in the separate PRCs.

Questions and Answers for 4th and 5th Grade Reading Bonus and the 4th through 8th Grade Math Bonus

5. *How much is the State level bonus?*

The State level bonus is amount is \$2,000 (plus social security).

6. *How much is the LEA level bonus?*

The LEA level bonus is amount is \$2,000 (plus social security).

7. *How do we account for these bonuses?*

Bonus	1X-51100-0048-01800	\$2,000.00
Social security	1X-51100-0048-02110	\$ 153.00

Questions and Answers for All Bonuses

8. *Do the allotments include social security?*

Yes.

9. *The teacher who earned the bonus left the school, may we use the bonus funds for another purpose, for instance we would like to reward another teacher?*

No. The funds may only be used for the specific teacher in the top 25% on the lists provided. If the teacher has left the school and is no longer qualified for the bonus, the funds will be reverted.

10. *We are a charter school and have financial flexibility, may we divide the bonus amongst all our teachers?*

No. The funds may only be used for the teacher designated in the top 25% on the lists provided.

11. *The legislation has a maximum number of bonuses that the teacher can receive, how does this work?*

The legislation states that the teacher can receive a maximum of 2 bonuses in each section of the law. The sections of the law are as follows:

- Section 7A.3.(f)(1) and 7A.3.(g)(1): 3rd grade reading
- Section 7A.3.(f)(2) and 7A.3.(g)(2): 4th & 5th grade reading
- Section 7A.3.(f)(3) and 7A.3.(g)(3): 4th to 8th grade math

A teacher may receive a maximum of 2 bonuses in each section listed above.

Example:

A teacher may receive a State and LEA 3rd grade reading bonus AND a State and LEA 4th grade reading bonus. (State LEA 3rd grade bonus + LEA 3rd grade bonus) + (2 x \$2,000)

A teacher may receive a State and LEA 5th grade reading bonus AND a State and LEA 5th grade math bonus. (2 x \$2,000) + (2 x \$2,000) = \$8,000

If a teacher is eligible for 7th grade Math and 8th Grade Math (both State and LEA – 4 total bonuses) the teacher may only be paid a maximum of 2 bonuses (2 x \$2,000) as these bonuses are in the same section of the law.

12. Are the following considered “teaching” in SY 2025-26 making the person qualified for the bonus?

Employee is on an educational leave of absence for the principal fellows program	No
Employee is a teacher assistant	No
Employee is a curriculum specialist	No
Employee is a temporary part time tutor	No

13. If a teacher retires January 2, 2026, are they eligible for the bonus that is scheduled to be paid this month?

Yes.

14. If the teacher retired on or before January 1, 2026 are they still eligible?

Maybe. A retired teacher who is eligible for the bonus may qualify for the bonus if they retired between the last day of SY 2024-25 and January 1, 2026 after attaining one of the following:

- a. The age of at least 65 with five years of creditable service.
- b. The age of at least 60 with 25 years of creditable service.
- c. Thirty years of creditable service.

DPI defines “last day of the school year” as the last day of school with students.

15. Are part-time or contract employees eligible to receive the bonus?

Part-time employees may qualify for the bonus; however, contract employees are not considered “employed by the public school unit” and would not be able to receive the bonus.