



Public Schools of North Carolina

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MEMORANDUM

TO: LEA Superintendents
LEA Finance Officers
LEA Personnel Administrators

FROM: H. Hank Hurd

SUBJECT: Contracted Substitutes

We have received a few inquiries on the ability for LEAs to contract out for substitute teacher services. We have investigated this issue with the General Assembly fiscal and legal staff and they agree with DPI that there is nothing in statute that would prohibit this opportunity. Nor would it be inappropriate for the LEAs to engage in contracts that would enable them to use this service should they choose, especially if there are cost savings for the LEA.

To assist those LEAs who will be using this alternative, we have added the contracted services object code (311) where there is a substitute code (182) in the Uniform Chart of Accounts, including the Non-Instructional Support category (PRC 003).

The attached are some common questions and answers we hope will help you with understanding this option. Since this is entirely a local option, most of these questions and your issues would need to be addressed between you, your Local Board of Education, and the contract company.

We hope this provides your system with additional flexibility. If you have any questions or concerns beyond what is attached, please contact Gary Jarrett at (919) 807-3364 or [Ally Barfield](#) at (919) 807-3715.

HHH:JSB
Attachment
OFBS #01-090

An Equal Opportunity/Affirmative Action Employer

Questions and Answers - Contracted Substitute Services

- 1. Has the LEA Teacher Assistant substitute policy been updated?** *This may be necessary if contracting for substitutes would affect the ability of the teacher assistants to be utilized as substitutes.*
- 2. Does the service provider need to provide DPI with any special reports or data?** *Not at this time; however, the LEA may require information, which they deem appropriate for reporting purposes. Please be reminded that the expenditure data must be reported at the school level, at a minimum for DPI. DPI will continue to monitor the reason codes for teacher absences.*
- 3. Would the substitute salaries be bound by legislative minimum/maximums?** *No, these substitutes would be employees of the service company not the school system and are not bound by legislative salaries. Substitutes who are employed directly by the LEA would be bound by legislative minimum/maximums.*
- 4. Does the LEA need to let DPI know if you are using this option?** *No, we will be able to tell from the data being reported to us (suddenly there will be contracted services and lower or no substitute expenditures).*
- 5. Can the LEA choose to use this option at some schools and not all schools?** *This is between the LEA and the contracted service provider.*
- 6. Can the LEA continue to employ long-term substitutes?** *This is a LEA decision. The LEA can employ staff as they deem necessary within their funds available.*
- 7. Does the LEA get additional funds to cover the increase administrative costs associated with this service?** *No, the LEA must remain within existing resources allocated for this function.*
- 8. Are there any special requirements to engage in this service?** *The LEA should follow the typical Purchase and Contract guidelines as they do now for any contracted service.*
- 9. Is the Local Board of Education liable for the actions of the outside company supplied substitutes?** *Yes, they are liable for actions of contracted employees, volunteers, and others who engage in activities associated with the school. The LEAs attorney's should investigate this issue and resolve with the service provider.*
- 10. Would the substitute fall under the Local Board's liability and other insurance?** *The LEAs attorney's should investigate this issue and resolve with the service provider. Note: unemployment insurance should be the responsibility of the service provider and not the LEA.*
- 11. How much control does the principal have over the substitute? If a particular substitute is not working out, who can contact the service provider so this substitute would not be used in the future?** *This should be worked out in the contract with the service provider.*
- 12. Will the LEA require that criminal background checks and/or reference checks be done on the contracted substitutes?** *This should be worked out in the contract with the service provider.*