Procedures for Reimbursement to Independent Public School for Substitutes for Classroom Teachers on Paid Parental Leave
Last Updated November 3, 2023

This document applies to Charter schools, Lab schools and Regional Schools only, collectively referred to as Independent Public Schools (IPS).

The following only applies to those charter schools which opted in through EPIC to participate in the Paid Parental Leave policy, and lab schools and regional schools that notify School Business Services.

Available funding
In the 2023 legislative session, the General Assembly provided funding for substitutes who were employed to fill a classroom teacher’s duties, while he/she was on paid parental leave. This reimbursement is consistent with treatment with local education agencies. This funding is effective July 1, 2023.

What is eligible for reimbursement?
Although any employee of the IPS is eligible to take paid parental leave, the IPS will only be eligible to be reimbursed for a daily rate of a substitute. The charter school is responsible for paying the employee’s salary while they are out on paid parental leave.

Which substitutes are eligible for reimbursement?
DPI will only reimburse for the established rate of a substitute for a classroom teacher who requires a substitute.

How much will I be reimbursed?
The charter school will be reimbursed at the certified daily rate of pay for a substitute established in law. This is 65% of the first step of the teacher certified salary schedule. This rate for 2023-24 is $115 + 7.65% social security.

Are employees of an EMO or CMO eligible for a substitute reimbursement when on paid parental leave?
No, the law requires the individual who is on paid parental leave to be an employee of a public school. Therefore, DPI will not fund a substitute for an Education Management Organization (EMO) employee, Charter Management Organization (CMO) employee, or any other contracted employee.

If our charter contracts for substitutes, can we receive reimbursement?
Yes, the substitute is not required to be an employee.

If I have a custodian on paid parental leave, is there any funding for this position while they are out?
No, the General Assembly only appropriated funds for the cost of substitutes for classroom teachers.

If I have a classroom teacher on leave on a non-instructional day (eg. during the summer, holidays) will we be eligible for reimbursement?
No, the reimbursement is for the days when a substitute is teaching students; therefore, if school was not in session, there is no reimbursement.
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If I have a classroom teacher on leave who will qualify for paid parental leave for two fiscal years, how should the form be submitted? (eg. June, July, August)
Reimbursement for fiscal years (July through June) must be submitted separately. June would be submitted by the June deadline on the form. July and August would be submitted on a separate form in the new fiscal year. State funds expire June 30th and cannot cross fiscal years.

How do I get reimbursed for substitute costs?
School Business Services is developing a form that will be available to charter schools on or before December 1, 2023. This form will provide instructions.

Where will the funding be coded?
Charter schools will receive their reimbursement in PRC 036 as a revision allotment. Regional and Lab schools will receive their reimbursement in PRC 038.

When will the charter school be reimbursed?
School Business will provide the first reimbursement in January – this will allow time after the deadline to opt in to participate, and the reimbursement forms to be submitted and reviewed. For 2023-24 the next reimbursement will be June. Charters will be provided deadlines on the reimbursement form submission in a future correspondence.

If an employee has not met the minimum requirement of at least 1,040 hours at the same school, are they completely ineligible for leave time or is there a prorated amount for which he/she is eligible?
If the employee does not meet the service requirements of 12 months and 1,040 hours, they are not entitled to PPL at all; there is no pro-rated amount. However, as part of the appropriations bill the General Assembly amended the law to provide that employees may aggregate service across PSUs (and indeed any state entity offering PPL) to meet this requirement. In other words, if you have an employee who has not met the service requirements based just on employment at your school, but that employee previously worked at another public school or state agency long enough to meet the service requirements, they may still be eligible. Please note that under the new policy, the employee will only be able to aggregate the service time if there is a gap of no more than 31 days between the end date of the previous job offering PPL and the start date of the new job offering PPL.

How does it work regarding the charter school’s obligation to pay if the employee is a 10-month employee, and the qualifying event happens over the summer? Do we have to pay them over and above their contracted salary to accommodate the paid leave (when their pay is based on working Aug-May)?
An employee would not be able to take PPL at a time when they were not employed (i.e., the 2 summer months in this case). However, because the SBE policy enables the employee to take the leave at any time within 12 months following the qualifying event, the employee could wait and take the leave during the contract period. In either case, they get their usual contracted salary, nothing additional.

We pay for short term disability that covers 30 days at 60% pay for all our staff which is paid to the employee. Would we still qualify for Paid Parental Leave if we used the short-term disability and paid the employee 40% plus full benefits for that time?
Short-term disability covers the classroom teacher’s salary when they are out. Paid parental leave covers the cost of the substitute for the classroom teacher who is on the qualifying leave.
Does the Board need to approve an opt-in?
Yes. Additionally, if the Board approves to opt-in, the benefit must be provided to all the PSU’s eligible employees. However, reimbursement requests may only be submitted to DPI for classroom teacher substitutes.

If the Board opts in, is this benefit outside of FMLA or Disability? Does it essentially add additional time to the leave beyond what FMLA and Disability currently afford employees?
The parental leave is available to “public school employees” without exhaustion of the employee’s sick and vacation leave and is in addition to other leave benefits authorized by State or Federal law. Per G.S. 126-8.6(d), The State Human Resources Commission has interpreted this to mean that the use of paid parental leave will run concurrently with use of leave provided under the Federal Family and Medical Leave Act, provided the PSU gives the required notice.

Is it possible to opt in for less than 8 weeks? For example, two weeks of leave.
Yes, you would include that information in the reimbursement forms.

Is the paid parental leave at no cost to the employee in terms of deductions? Is there a cost for the employer to provide the benefit?
The charter school will be reimbursed at the certified daily rate of pay for a substitute established in law. This is 65% of the first step of the teacher certified salary schedule. This rate for 2023-24 is $115 + 7.65% social security. It is the responsibility of the charter school to absorb costs that are outside of the established rate.

Can a Board/School change its decision to opt in or out on an annual basis?
Yes, you will have an annual opportunity to opt in.

Are there any additional responsibilities of the Charter School or Board if we decide not to opt-in?
SECTION 7.83.(b) G.S. 115C-218.90(a)(6) reads as rewritten:
"(6) A board of directors may provide paid parental leave consistent with the requirements of G.S. 126-8.6. If the board provides paid parental leave, it shall be eligible to receive funds as provided in G.S. 115C-336.1(b). If the board does not provide paid parental leave, it shall provide written notice to individuals upon offering employment. The notice shall state that employment with the charter school will not count toward any minimum period of service established pursuant to G.S. 126-8.6(c1)."

School Business Services
NC Department of Public Instruction