



HOUSE BILL 1143: Principal Fellows & Admin. Intern. Stipends.

2025-2026 General Assembly

Committee:	House Education - K-12. If favorable, re-refer to Appropriations. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	May 19, 2026
Introduced by:	Reps. Blackwell, Biggs, Cotham, Willis	Prepared by:	Brian Gwyn
Analysis of:	PCS to First Edition H1143-CSBEa-26		Committee Co-Counsel

OVERVIEW: *The 1st edition of HB 1143 would do all of the following:*

- *Modify the allowable uses of funds for the Principal Fellows Program.*
- *Appropriate \$5 million to the Principal Fellows Trust Fund.*
- *Modify requirements related to individuals who receive a State stipend for completing an administrative internship as part of their Master's in school administration program, including requiring individuals to repay a portion of the stipend if they do not become school administrators in North Carolina.*

The PCS to the 1st edition of HB 1143 would remove the requirement that certain individuals repay a portion of their administrative internship stipend if they do not become school administrators in North Carolina. The PCS would also make several technical and conforming changes.

PART I. MODIFY ALLOWABLE USES OF FUNDS FOR THE PRINCIPAL FELLOWS PROGRAM

CURRENT LAW: Article 5C of Chapter 116 of the General Statutes establishes the requirements for the North Carolina Principal Fellows Program (Program), which provides grants to school leader preparation programs. The Program is administered by the North Carolina Principal Fellows Commission (Commission) in collaboration with the State Education Assistance Authority. The Commission selects school leader preparation programs to participate in the Program and the selected preparation programs select Principal Fellows to receive forgivable loans covering the cost of attendance for the preparation program.

In addition to forgivable loans, selected school leader preparation programs can use their grant funds on any of the following:

- Recruiting and selecting candidates.
- Operating the school leader preparation program.
- Providing opportunities for job-embedded practice.
- Collecting data on program implementation and program completer outcomes.

The Commission can use up to \$800,000 each year for any of the following:

- Salary and benefits of the director and staff of the Program.

Kara McCraw
Director



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- Expenses of the Commission to administer the Program.
- Program monitoring and evaluation.
- Extracurricular enhancement activities for the Program.

BILL ANALYSIS: In addition to the Principal Fellows grants, Part I would allow the Commission to award developmental grants. The developmental grants would be one-year grants up to \$250,000 that could be awarded to two school leader preparation programs that did not receive Principal Fellows grants. The funds could be used for all of the same purposes as the Principal Fellows grants except for the forgivable loans. The grants could be renewed up to five times. Developmental grant recipients would be required to submit a report for each year in which a grant is received.

Part I would allow the Commission to use available funds for programming related to research-based school leadership practices.

Additionally, if any unobligated or unencumbered Principal Fellows funds remain at the end of a fiscal year, Part I would allow the Commission to use those funds for the following purposes:

- Program monitoring and evaluation.
- Extracurricular enhancement activities for the Program.
- Programming on research-based school leadership practices.

Part I would also make various technical and conforming changes.

PART II. APPROPRIATION FOR PRINCIPAL FELLOWS PROGRAM

BILL ANALYSIS: Part II would appropriate \$5 million in recurring funds to the Principal Fellows Trust Fund beginning in the 2026-2027 fiscal year to increase the number of candidates supported by the Principal Fellows Program.

PART III. ADMINISTRATIVE INTERNSHIP STIPENDS

CURRENT LAW: Participants in an approved full-time master's in school administration program receive up to a 10-month stipend during their administrative internship. The stipend is either the beginning salary of an assistant principal or, for a teacher who becomes an administrative intern, at least as much as the person would earn as a teacher on the teacher salary schedule. This stipend is in the base budget and is distributed in accordance with an uncodified provision included in each comprehensive budget. For example, see Section 7A.8(c) of S.L. 2023-134.

BILL ANALYSIS: Part III would do all of the following:

- Codify the administrative internship stipend provision.
- Require the administrative internship stipends to be paid for 10 months.
- Require the Department of Public Instruction to annually report on the administrative internship stipends.

EFFECTIVE DATE: The PCS would become effective July 1, 2026.