2025-2026 General Assembly

SENATE BILL 257: 2026 Appropriations Act, Sec 7A.5: Supplemental Funds for Teacher Compensation

Analysis of:	S.L. 2026-41, Sec 7A.5	**Date:**	August 21, 2026
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Section 7A.5 of S.L. 2026-41 (Senate Bill 257) requires the State Board of Education (SBE) to allocate funds for the 2026-2027 school year to local school administrative units (LEAs) that are located in a county that has an adjusted market value of taxable real property of less than $80 billion to provide salary supplements to teachers, support personnel, qualifying assistant principals, and qualifying principals in the LEA.

Allocation of Funds by Qualifying LEAs – Local boards of education that receive these funds have the discretion to determine how to allocate the funds for salary supplements amongst teachers and qualifying school administrators, except that no individual salary supplement can exceed the per-teacher funding amount for the LEA set by the Department of Public Instruction (DPI) according to the formula prescribed by this section.

Charter Schools – DPI must include salary supplement funds provided to qualifying LEAs when calculating the average per pupil allocation to charter schools located in qualifying LEAs. Charter schools receiving additional funds are encouraged to provide salary supplements to teachers and qualifying administrator with the additional funds.

Nonsupplant Requirement – LEAs can only use the funds to supplement, but not supplant, non-State funds provided for salary supplements for teachers and qualifying school administrators.

Report – The SBE must submit a report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by April 15, 2027, that includes the following:

- A list of all eligible counties and eligible LEAs.
- Funds allocated to each eligible LEA.
- The percentage and number of teachers and qualifying school administrators in each eligible LEA receiving salary supplements.
- The average salary supplement amount in each eligible LEA.
- The range of salary supplement amounts in each eligible LEA.
- The effect of salary supplements on the retention of teachers and qualifying school administrators in each eligible LEA.
- The identity of any LEA that the SBE determines has supplanted funds.

This section became effective July 1, 2026.