



2025-2026 General Assembly

SENATE BILL 257: 2026 Appropriations Act, Sec. 8.22: Weighted Student Funding Formula Work Group.

Analysis of: S.L. 2026-41, Sec. 8.22

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Prepared by: Legislative Analysis
Division Staff

Section 8.22 of S.L. 2026-41 (Senate Bill 257) directs that of the funds appropriated to the Board of Governors of The University of North Carolina to be allocated to the North Carolina Collaboratory, \$300,000 dollars in nonrecurring funds for the 2026-2027 fiscal year must be used for the Office of Learning Research at the North Carolina Collaboratory to establish a work group (Work Group) of experts in public education finance, including the Department of Public Instruction (DPI), North Carolina Business Leaders for Education (BEST NC), and other relevant stakeholders. The Work Group is directed to study and develop a strategy to transition the State to a weighted student funding model for kindergarten through 12th grade public education.

By July 15, 2027, the Work Group must report to the Joint Legislative Education Oversight Committee on a three-year strategy to transition from the current-allotment based funding model to a weighted student funding formula model, including policy, funding, messaging, and technical assistance needed for leaders of local school administrative units (LEAs) and schools within LEAs. The strategy must include an examination of the following:

- Options to do the following under the new funding formula:
 - Consolidate nonteaching support funds into a per- pupil based allotment with significant flexibility.
 - Transition teacher pay from a position allotment to a dollar allotment based on average daily membership to maintain student-based funding with greater average teacher pay transparency and flexibility.
 - Reassign all project or resource-based funding into a set of designated line items.
 - Determine whether need-based funds can be consolidated and transitioned into a per pupil figure.
 - Report on spending and provide any other needed accountability for the use of State funds.
- Whether to transition the responsibility of disbursing any funds to LEAs from DPI to the State Education Assistance Authority.

This section became effective July 1, 2026.

Kara McCraw
Director



Legislative Analysis
Division
919-733-2578