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SENATE BILL DRS45458-NHa-208

Short Title: Every School Has Resources Act. (Public)

Sponsors: Senators Chaudhuri and Robinson (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH A GRANT PROGRAM TO ASSIST LOCAL SCHOOL
3 ADMINISTRATIVE UNITS WITH CREATING A DEVELOPMENT DIRECTOR
4 POSITION.

5 Whereas, many local school administrative units in North Carolina – particularly
6 rural, small, and low-wealth units – lack the administrative capacity to pursue external grant
7 funding, philanthropic partnerships, and community development opportunities; and

8 Whereas, dedicated development staff at the unit level have proven effective at
9 unlocking supplemental funding streams that reduce dependence on local property taxes and
10 State appropriations; and

11 Whereas, the upfront cost of hiring a Development Director creates a barrier for local
12 school administrative units that would benefit most, as local boards of education are
13 understandably reluctant to commit current expense fund revenues to a position before its return
14 on investment is established; and

15 Whereas, a phased, performance-linked grant model will allow local school
16 administrative units to build development capacity while assuming a graduated share of the
17 financial commitment as the position demonstrates measurable results; and

18 Whereas, North Carolina has a compelling interest in ensuring that all local school
19 administrative units, regardless of wealth or size, have equitable access to external funding
20 opportunities that support the sound basic education of students across the State, consistent with
21 Article IX of the North Carolina Constitution; and

22 Whereas, transparent reporting requirements protect taxpayers and give the General
23 Assembly the information needed to evaluate program effectiveness and make responsible
24 decisions about program renewal; Now, therefore,
25 The General Assembly of North Carolina enacts:

26 **SECTION 1.(a)** Definitions. – As used in this section, the following definitions
27 apply:

- 28 (1) Development Director. – A full- or part-time employee of an eligible unit
29 whose primary duties include identifying, pursuing, and managing external
30 funding opportunities for the eligible unit, including competitive grants,
31 private philanthropy, corporate sponsorships, and community partnerships.
32 The position may be titled Director of Development, Grants Manager,
33 Director of Grants and Community Partnerships, or a similar designation,
34 provided the primary duties are substantially equivalent.
- 35 (2) Eligible unit. – A local school administrative unit, as defined in
36 G.S. 115C-5(6), that does not currently employ a full-time staff member



1 whose primary duties are grant writing and development, and satisfies at least
2 one of the following:

- 3 a. Is located in a county with a population of fewer than 150,000 persons
4 according to the most recent decennial census.
- 5 b. Qualifies for supplemental funding under G.S. 115C-472.22.
- 6 c. Has a percentage of students eligible for free or reduced-price meals
7 under the National School Lunch Act at or above the statewide average
8 for the prior school year.

9 (3) External funds raised. – Revenues attributable to the efforts of the
10 Development Director that derive from sources outside the eligible unit's State
11 and local formula allocations and standard federal entitlement grants,
12 including competitive grants, private foundation awards, corporate
13 contributions, and documented in-kind donations with verified market value.

14 (4) Grant year. – A 12-month period beginning on the effective date of each
15 annual award.

16 (5) Total position cost. – All costs directly attributable to the Development
17 Director position in a grant year, including salary, employer payroll taxes,
18 health insurance, retirement contributions, and documented professional
19 development expenses.

20 **SECTION 1.(b)** Establishment; Term. – There is established the Every District Has
21 Resources Grant Program (Program) to assist eligible units in establishing a Development
22 Director position. To the extent funds are made available for this purpose, the Department of
23 Public Instruction (Department) shall administer the Program in accordance with this act. The
24 Program shall commence with the 2026-2027 fiscal year and conclude June 30, 2029.

25 **SECTION 1.(c)** Application. – An eligible unit may apply for a grant under the
26 Program by submitting a written application to the Department on a form and according to a
27 schedule prescribed by the Department. At a minimum, the application shall include the
28 following:

- 29 (1) A description of the eligible unit's current development capacity and prior
30 grant history.
- 31 (2) A detailed plan for recruiting, hiring, and supervising the Development
32 Director.
- 33 (3) A proposed budget for the Development Director position for all three grant
34 years, including anticipated sources of matching funds for grant years two and
35 three.
- 36 (4) A written commitment from the local board of education, adopted by
37 resolution at a duly noticed public meeting, authorizing participation in the
38 Program and certifying the unit's intent to provide required matching funds in
39 grant years two and three.
- 40 (5) Identification of specific external funding opportunities the Development
41 Director will initially pursue.
- 42 (6) Any additional information the Department deems necessary for Program
43 administration.

44 **SECTION 1.(d)** Applicant Selection. – The Department shall notify all applicants
45 of award decisions within 60 days of the application deadline. If the number of applicants exceeds
46 available funds, the Department shall give priority to eligible units in the following order:

- 47 (1) Units with the highest percentage of students eligible for free or reduced-price
48 meals.
- 49 (2) Units that qualify for supplemental funding under G.S. 115C-472.22.
- 50 (3) Units with the lowest average daily membership for the prior school year.

1 (4) Units that have never previously employed dedicated development or
2 grant-writing staff.

3 (5) Units demonstrating the most credible external funding pipeline.

4 **SECTION 1.(e)** Awards; Matching Funds. – Eligible units selected to receive an
5 award shall receive the award for three consecutive grant years, subject to the annual performance
6 and reporting requirements of this act and any other requirements of the Department. Awards in
7 grant years two and three require matching funds, which may come from any source other than
8 State funds. Eligible units may also supplement the position with non-State funds. Award
9 amounts and matching requirements for each year are as follows:

10 (1) Grant year one. – The Department shall fund up to one hundred percent
11 (100%) of the total position cost, not to exceed seventy-five thousand dollars
12 (\$75,000) per eligible unit.

13 (2) Grant year two. – The Department shall fund up to fifty percent (50%) of the
14 total position cost, not to exceed thirty-seven thousand five hundred dollars
15 (\$37,500). The unit shall provide matching funds equal to the remaining fifty
16 percent (50%) or more.

17 (3) Grant year three. – The Department shall fund up to twenty-five percent (25%)
18 of the total position cost, not to exceed eighteen thousand seven hundred fifty
19 dollars (\$18,750). The unit shall provide matching funds equal to the
20 remaining seventy-five percent (75%) or more.

21 **SECTION 1.(f)** Use of Funds; Position Continuity. – Funds awarded under the
22 Program may only be used for total position cost. An eligible unit receiving an award shall
23 maintain the Development Director position throughout each grant year for which funds are
24 received. An eligible unit that eliminates the position during a grant year shall repay to the
25 Department a prorated portion of the award for that year, as determined by the Department.

26 **SECTION 1.(g)** Continuation Eligibility. – A unit's eligibility to continue receiving
27 Program funds in grant years two and three is contingent upon the following:

28 (1) Timely submission of the annual performance report for the preceding grant
29 year.

30 (2) Verification by the Department that the Development Director position was
31 maintained for the full preceding grant year.

32 (3) Verification that required matching funds were contributed in the preceding
33 grant year.

34 (4) A written finding by the Department that Program participation by the unit
35 remains consistent with the purposes of this act. The Department may waive
36 the requirement of this subdivision if an eligible unit experiences a
37 documented extraordinary circumstance, including natural disaster, sudden
38 enrollment decline, or a financial emergency declared by the Local
39 Government Commission. Any such waiver shall be granted in writing and
40 supported by written findings.

41 **SECTION 1.(h)** Audits. – The Department or the North Carolina Office of the State
42 Auditor may audit any participating unit to verify the accuracy of expenditure reports and
43 compliance with Program requirements. Participating units shall maintain all financial records
44 related to the Program for a minimum of five years following the close of the final grant year. At
45 the discretion of the Department, any unit that receives an award and fails to comply with the
46 requirements of this act or applicable rules may be required to repay all or a portion of the grant
47 funds to the Department, with interest as established by State Board of Education rule.

48 **SECTION 1.(i)** Annual Unit Performance Report. – Each participating unit shall
49 submit an annual performance report to the Department no later than 90 days following the close
50 of each grant year. The annual performance report shall include all of the following:

51 (1) Fiscal summary. – A complete accounting of:

- 1 a. Total position cost for the grant year, itemized.
- 2 b. Amount of Program grant funds received.
- 3 c. Total matching funds contributed, listed by source.
- 4 (2) External funds raised. – A complete accounting of all external funds raised
- 5 during the grant year, including:
- 6 a. The name and type of each funding source.
- 7 b. The amount awarded or pledged.
- 8 c. The date of award or pledge.
- 9 d. The project or purpose funded.
- 10 (3) Return on investment statement. – A calculation of the ratio of external funds
- 11 raised to total position cost for the grant year, expressed as a dollar return per
- 12 dollar of total position cost.
- 13 (4) Pipeline report. – A description of pending applications, active cultivation
- 14 relationships, and anticipated external funding opportunities in the subsequent
- 15 year.
- 16 (5) Narrative summary. – A written narrative describing the Development
- 17 Director's activities, measurable outcomes, challenges encountered, and
- 18 recommendations for Program improvement.

19 **SECTION 1.(j)** Reporting. – No later than October 1 of each year of the Program,
20 the Department shall report to the Joint Legislative Education Oversight Committee and make
21 publicly available on its website the following information:

- 22 (1) The number of units that applied for and received awards.
- 23 (2) The total amount of Program funds disbursed.
- 24 (3) The total external funds raised across all participating units.
- 25 (4) The aggregate return on investment for the Program statewide.
- 26 (5) The geographic, demographic, and wealth characteristics of participating
- 27 units.
- 28 (6) A comparison of external funds raised by grant year to assess whether
- 29 development capacity grows over the Program cycle.
- 30 (7) A recommendation from the Superintendent of Public Instruction as to
- 31 whether the Program should be continued, expanded, modified, or allowed to
- 32 expire, with supporting rationale and data.
- 33 (8) Any other information the Department deems relevant to evaluating
- 34 effectiveness of the Program.

35 **SECTION 2.** There is appropriated from the General Fund to the Department of
36 Public Instruction the sum of one million dollars (\$1,000,000) in nonrecurring funds for the
37 2026-2027 fiscal year to establish and administer the Every District Has Resources Grant
38 Program, as authorized by this act. At the end of each fiscal year during the Program,
39 unencumbered Program funds shall not revert to the General Fund but shall be transferred to the
40 Needs-Based Public School Capital Fund.

41 **SECTION 3.** This act becomes effective July 1, 2026, and applies beginning with
42 the 2026-2027 school year.