

Classroom Supplies Guarantee and Transparency Act

Legislative Package

BILL SUMMARY

Overview

The Classroom Supplies Guarantee and Transparency Act establishes a statewide requirement that every public school student in North Carolina receive a supply kit of essential materials before the school year begins. It prioritizes PRC 061 funds for these supplies, prohibits teachers from using personal funds, and mandates transparency of school budgets and procurement reports. The Act adds enforcement authority for the State Auditor, State Board of Education, and the Attorney General, with penalties for noncompliance or falsification.

Key Provisions

- **Supply Guarantee:** Every student receives binders, dividers, paper, pencils, pens, glue sticks, highlighters, crayons/colored pencils, tissues, sanitizer, earbuds, wipes, and batteries.
 - **Funding Formula:** Net Education Lottery revenues fund kits annually, tied to Average Daily Membership (ADM).
 - **Transparency:** Schools must post reports and budgets with bright orange buttons above the fold, downloadable as PDF and Excel.
 - **Oversight:** State Auditor audits 10% of schools each year; DPI maintains a centralized portal; whistleblowers protected.
 - **Accountability:** 50% of PRC 061 withheld for school noncompliance, 5% of DPI's admin budget withheld if portal fails, criminal and civil penalties for falsification.
 - **Enforcement:** State Board of Education hearings; Attorney General has direct prosecutorial authority.
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BILL TEXT

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2025

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Short Title: CLASSROOM SUPPLIES GUARANTEE AND TRANSPARENCY ACT (Public)

Sponsors: [To be filled in]

Referred to: [To be assigned]

Date: [To be assigned]

A BILL TO BE ENTITLED

AN ACT TO ENSURE THAT EVERY PUBLIC SCHOOL STUDENT IN NORTH CAROLINA RECEIVES ESSENTIAL CLASSROOM SUPPLIES THROUGH PRC 061 FUNDS, TO PROHIBIT TEACHERS FROM USING PERSONAL FUNDS FOR SUPPLIES, TO DEDICATE A FORMULA DRIVEN PORTION OF EDUCATION LOTTERY REVENUES TO PRC 061, AND TO REQUIRE FULL TRANSPARENCY OF PROCUREMENT AND BUDGETS WITH ENFORCEABLE PENALTIES, AUDITS, WHISTLEBLOWER PROTECTIONS, A CENTRALIZED STATE PORTAL, AND EXPANDED ENFORCEMENT POWERS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 8 of Chapter 115C of the General Statutes is amended by adding a new section to read:

§ 115C-174.25. Classroom Supplies Guarantee.

(a) **Guaranteed Supplies.** – Each local board of education shall ensure that every student enrolled in grades kindergarten through twelve in public schools is furnished, at no cost to the student or teacher, with the following supplies prior to the beginning of each school year, replenished as necessary: ring binder (two inches or larger), subject dividers, loose leaf paper (grade appropriate), graph paper, number two pencils with eraser caps, colored pencils, highlighters, composition notebooks, blue or black pens, two glue sticks, pencil pouch, ruler, one set of earbuds or headphones, AAA batteries (four pack where applicable), tissues, hand sanitizer, disinfecting wipes, and computer/printer paper.

(b) **Priority of PRC 061 Funds.** – The allotment identified as PRC 061 (Classroom Materials/Instructional Supplies/Equipment/Testing) shall be expended first to purchase and distribute the supplies listed in subsection (a). No transfers, reallocations, or debits from PRC 061 funds shall occur until these supplies are fully provided for all students.

(c) Testing Costs. – After subsection (a) supplies have been purchased, remaining PRC 061 funds may be used for testing support required by G.S. 115C-174.18 and other lawful instructional supply purposes.

(d) Prohibition on Teacher Expenditures. – No teacher employed by a local board of education shall be required or permitted to use personal funds to purchase classroom supplies. Local boards and administrators shall not directly or indirectly request, encourage, or rely upon such expenditures.

(e) Ethical Standard. – Any action by an administrator or supervisor that creates the perception or expectation that teachers must personally fund supplies shall be deemed inconsistent with the North Carolina Code of Ethics for Educators and the Standards for School Executives.

SECTION 2. G.S. 18C-164 is amended by adding new subsections to read:

(f) Classroom Supplies Guarantee. – Notwithstanding any other provision of this section, an amount shall be appropriated annually from net Education Lottery revenues sufficient to fund the guaranteed supplies in G.S. 115C-174.25(a) for every student in the funded Average Daily Membership (ADM). The per pupil amount shall equal the actual statewide average cost of the supply kit as determined annually by the Department of Public Instruction through competitive statewide procurement.

(h) School Website Publication. – Each public school shall post on its website, above the fold on the landing page, two bright orange buttons (minimum size one inch by one inch) labeled "Procurement Oversight and Transparency" and "School Budget." These buttons shall link directly to the school's Procurement Oversight report and its complete budget. Both shall be downloadable in full as PDF and Excel spreadsheets.

(i) Definition of Complete Budget Suitable for Auditing. – For purposes of this section, a "complete budget suitable for auditing" means a document showing all revenue sources, all expenditures by object code, all transfers, fund balances, purchase order detail, and general ledger reconciliations for that school, without omission, aggregation, or concealment.

SECTION 3. Compliance and Enforcement.

(a) Local boards of education shall ensure compliance for each school under their authority.

(b) If a school fails to post the required reports and buttons within 30 days after July 1 of each fiscal year, the Department of Public Instruction shall withhold fifty percent (50%) of that school's PRC 061 allotment until compliance is achieved.

(c) The Department of Public Instruction shall provide written notice of noncompliance to the local superintendent and school principal before any funds are withheld.

(d) Funds withheld shall be released immediately upon proof of compliance.

SECTION 4. Criminal and Civil Liability.

(a) Any superintendent, principal, finance officer, or other school official who knowingly falsifies, conceals, withholds, or omits information required under this Act shall be guilty of a Class 1

misdemeanor.

(b) Conviction under subsection (a), or a finding by the Department of Public Instruction or the State Auditor that intentional falsification or omission occurred, shall result in immediate termination of employment and disqualification from employment within North Carolina public schools for a minimum of five (5) years.

(c) Any official found to have intentionally falsified or omitted information shall be personally liable for damages or costs incurred by the State as a result of the misconduct, including corrective audits.

SECTION 5. State Auditor Authority.

(a) The Office of the State Auditor shall conduct random spot audits each fiscal year of at least ten percent (10%) of all public schools to verify accuracy and completeness of Procurement Oversight and Transparency reports and Complete School Budgets.

(b) The State Auditor shall have full access to all financial records, accounts, and supporting documentation of each audited school.

(c) Findings of noncompliance shall be reported to the Joint Legislative Education Oversight Committee and made publicly available online.

(d) Schools found noncompliant shall be subject to penalties under Section 3 and Section 4 of this Act.

SECTION 6. Whistleblower Protections.

(a) Any teacher, staff member, parent, community member, or Department of Public Instruction employee who reports suspected noncompliance or falsification under this Act shall be protected from retaliation.

(b) Retaliation includes dismissal, demotion, suspension, threats, harassment, denial of promotion, reassignment, or any adverse employment action.

(c) Individuals subjected to retaliation shall have a private right of action for reinstatement, back pay, compensatory damages, and attorney's fees.

(d) The identity of whistleblowers shall remain confidential unless disclosure is required by law or consented to by the whistleblower.

SECTION 7. Centralized Statewide Portal.

(a) The Department of Public Instruction shall create and maintain a publicly accessible centralized online portal that aggregates all Procurement Oversight and Transparency reports and all Complete School Budgets.

(b) The portal shall allow reports to be searched, sorted, and downloaded by school, district, year, PRC code, or vendor.

(c) The portal shall provide all reports in full as downloadable PDF and Excel files.

(d) Each school shall transmit its required reports to the Department by July 1 of each fiscal year, and the Department shall upload them no later than July 15.

(e) The portal shall be free, open to the public without registration, and designed for usability by parents, teachers, researchers, and policymakers.

- (f) If the Department fails to maintain and update the portal on schedule, the State Controller shall withhold five percent (5%) of the Department's administrative budget until compliance is achieved.
- (g) Any Department official who knowingly falsifies, alters, conceals, or withholds data from the portal shall be guilty of a Class 1 misdemeanor, terminated from employment, barred from reemployment within public education for five (5) years, and personally liable for damages incurred by the State.
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SECTION 8. State Board of Education Oversight.

- (a) The State Board of Education may conduct public hearings on repeated violations of this Act.
- (b) After notice and hearing, the State Board may:
- (1) Impose financial penalties;
 - (2) Require corrective action plans with deadlines;
 - (3) Recommend removal of administrators or finance officers;
 - (4) Refer matters to the Attorney General for prosecution or civil enforcement.
- (c) Hearings and decisions shall be open to the public and published online within 10 days.
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SECTION 9. Attorney General Enforcement.

- (a) The Attorney General of North Carolina shall have independent authority to investigate, prosecute, and bring civil or criminal actions for violations of this Act.
- (b) The Attorney General may seek criminal prosecution, civil damages, or injunctive relief to compel compliance.
- (c) The Attorney General shall coordinate with the State Auditor and State Board of Education but does not require referral to initiate action.
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SECTION 10. Effective Date.

This Act is effective when it becomes law and applies beginning with the 2025–2026 school year.

FISCAL NOTE

- **Per Student Cost:** \$75.
- **Statewide ADM:** 1.4 million students.
- **Total Cost:** \$105 million annually, funded by lottery revenues.
- **DPI Portal:** \$2–3 million build cost, \$500,000 annual maintenance.
- **Auditor’s Office:** \$2 million annually.
- **Attorney General:** Minimal additional impact.
- **Net Effect:** Fully funded by lottery, minimal additional state costs, substantial accountability gains.

SAMPLE FISCAL TABLE

ADM Tier (Students)	Approx. # Schools	Per Student Cost	Total Tier Cost
< 300	200	\$75	\$4.5 million
301–600	500	\$75	\$22.5 million
601–1000	600	\$75	\$45 million
1001–1500	250	\$75	\$28.1 million
> 1500	100	\$75	\$5 million
Total	~1,650	—	\$105 million

LEGISLATIVE ONE-PAGER

The Problem

- Teachers spend personal money on supplies.
- Parents cannot always provide required items.
- PRC 061 funding lacks consistency and transparency.

The Solution

- Guarantee supply kits for all students.
- Lottery revenues fund the kits, tied to ADM.
- Transparency: school websites and DPI portal.
- Oversight: State Auditor, State Board, Attorney General.
- Whistleblower protections to safeguard integrity.

The Impact

- **Students:** Equipped for learning.
- **Teachers:** Protected from personal spending.
- **Parents:** Confidence in how funds are used.
- **Taxpayers:** Accountability and public oversight.

Estimated Cost

- \$75 per student (\$105 million total), fully funded by lottery revenues.
- Minimal additional compliance costs.

Tagline

"Lottery funds and supply dollars go to students first — no excuses, no gaps, no hidden budgets."