

House Bill 305 / SL 2025-87 Update



Objectives

- Continue discussion from September 4, 2025 Work Session
- Potential red-line edits for General Assembly consideration
No requested action at this time. Based on input we receive and any better ways to gain statutory clarity, the exact wording that we may request from the legislature could change.
- Discuss education efforts

Article 46 – Sales Tax Referendum

"[] FOR [] AGAINST

Local sales and use tax at the rate of one-quarter of one percent (0.25%) in addition to all other State and local sales and use **"taxes to be used solely for classroom teacher salary supplements, fire protection equipment and services, for Guilford Technical Community College, and to be used by municipalities for any public purpose."**

1. Teacher Supplements = \$19.2 million (67%)
2. Fire Services = \$5.5 million (19%)
3. GTCC Capital = \$2.7 million (9%)
4. Municipalities (5%)
 - Oak Ridge = \$166,000
 - Pleasant Garden = \$189,000
 - Stokesdale = \$391,000
 - Whitsett = \$3,700
 - Summerfield = \$536,000 (first \$3 million for water infrastructure to support fire protection)



What Happens if Voters Approve

- Guilford County Schools will have the ~#6 highest estimated teacher supplement in the state.
- Guilford Technical Community College will have a strengthened capital improvement plan to align with economic development and workforce development demands
 - Aerospace competency and training
 - Support for campuses located across the county, including High Point campus expansion
- Replace aging apparatus and equipment for fire districts, to include the City of Greensboro* and the City of High Point*, while freeing up resources to support dedicated staff and improving service levels.
 - *Fire and Rescue Council is evaluating proposed funding strategies to include Greensboro and High Point
- Increases sales tax revenue for qualifying municipalities, currently Oak Ridge, Pleasant Garden, Stokesdale, Whitsett, Summerfield, to support service provision.
 - Summerfield must use the first \$3.0 million to the Summerfield Fire District for capital enhancements for water resources related to fire protection.

Prohibition on the Supplanting of funds

Supplanting of Funds

- The bill restricts the supplanting of funds.
- The bill currently restricts the county on three areas based on a 10-year look back period:
 1. Contribution to the Guilford County Fire and Rescue Council
 2. Contribution to GTCC for capital expenditures
 3. Contribution to teacher salary supplements
- First year of look back period is **Fiscal Year 2018 through Fiscal Year 2027**, with a rolling 10-year period.

10-Year Look Back – As Written

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	Avg
Guilford County - Fire/Rescue Council	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	\$0
Guilford County - GTCC Capital Funding	\$1.5M	\$1.5M	\$1.0M	\$0.55M	\$1.55M	\$1.55M	\$1.55M	\$0	\$1.55M	-	\$1.2M
Guilford County - Teacher Supplements	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	

1. The county does not directly contribute funding to the Guilford Fire and Rescue Council
2. The 10-year average for GTCC = \$1.2 million, **pending FY27 allocation.**
3. The Board of County Commissioners cannot directly allocate funds to teacher salary supplements. The BoCC allocates funds to the Board of Education. Teacher supplements are below the purpose/function level.

Supplanting of Funds

Based on discussion with General Assembly staff around legislative intent, the goal was to:

- 1. Fire Protection:** Use proceeds to supplement overall investment in rural fire protection districts
- 2. GTCC:** Supplement funding the county provides to GTCC for capital expenditures
- 3. Teacher Supplements:** Supplement current levels of teacher salary supplements.

10-year Look Back - Revised

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	Avg
Guilford County - Fire/Rescue Council	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Guilford County - Fire Protection Services	\$18.8M	\$20.5M	\$20.8M	\$20.3M	\$23.1M	\$27.8M	\$31.2M	\$35.6M	\$35.2M	-	\$25.9M
Guilford County - GTCC Capital Funding	\$1.5M	\$1.5M	\$1.0M	\$0.55M	\$1.55M	1.55M	\$1.55M	\$0	\$1.55M	-	\$1.20M
Guilford County - Local Current Expense	\$195.8M	\$202.6M	\$206.6M	\$209.6M	\$225.6M	\$244.8M	\$260.2M	\$270.2M	\$282.5m	-	\$233.2M
Board of Education - <i>Teacher Supplements</i>	\$25.6M	\$25.7M	\$26.8M	\$27.2M	\$34.4M	\$40.4M	\$41.7M	\$40.7M	-	-	\$32.8M
	\$4,764	\$4,751	\$4,929	\$4,927	\$6,288	\$7,465	\$7,529	\$7,520	-	-	\$6,022

1. \$25.9 million is the current average of how much the county has distributed for fire protection over the prior 9-years of data.
2. The 10-year average for GTCC = \$1.2 million, pending FY27 budget.
3. Per NCDPI, the amount of teacher supplement in the prior year would = \$40.7 million based on the average teacher supplement multiplied by the number of teachers.



Teacher Supplement 10-Year (GCS BOE Allocation)

	Total Local Current Expense	% Change	Teacher Supplement NCDPI – Table 20	Teacher Supplement Funding Per GCS	Notes
FY 2018	\$195.8 million	-	\$25.6 million	TBD	
FY 2019	\$202.6 million	3%	\$25.7 million	TBD	
FY 2020	\$206.6 million	2%	\$26.8 million	\$30.9 million	
FY 2021	\$209.6 million	1%	\$27.2 million	\$27.2 million	
FY 2022	\$225.6 million	8%	\$34.4 million	\$33.2 million	BoCC included \$8M to increase supplements
FY 2023	\$244.8 million	9%	\$40.4 million	\$42.4 million	BoCC included \$16M to increase supplements
FY 2024	\$260.2 million	6%	\$41.7 million	\$42.5 million	
FY 2025	\$270.2 million	4%	\$40.7 million	\$43.0 million	
FY 2026	\$282.5 million	5%	-	\$43.2 million	*Data table not yet available
FY 2027	-		-	-	

* Based on NCDPI Table 20 taking # of teachers receiving a supplement multiplied by average teacher supplement



Fire and Rescue Council

The Guilford County Fire/Rescue Council (GCFRC) is comprised of all Fire Departments with districts in Guilford County, to include the City of Greensboro and the City of High Point, and has an executive board made up of a President, Vice President, Secretary, and Treasurer with two-year terms.

1. The Fire/Rescue Council is including Greensboro and High Point in the discussions to develop a funding plan, **but with a focus on rural districts**. Included redlines highlight Fire Protection Districts and Fire Protection Service Districts.
 - GSO and HP provide specialty units countywide (air unit, hazmat, technical rescue).
 - Greensboro: Guilford College FPSD, PTIA, and District No. 14
 - High Point: Deep River No. 18
2. Establish a custodial fund for fire rescue proceeds and release those funds upon request from the Guilford County Fire/Rescue Council. Investment earnings generated could be used to further capital replacements
3. Enable use of funds for the Fire/Rescue Council to administer the funds, including audits or staff to manage contracts/awards.

The County would request a letter of support from the Rural Fire and Rescue Council Board to support the legislative adjustment.

Education Material and Next Steps



Next Steps

- Continued discussions with General Assembly to clarify ballot language.
- County staff are meeting to develop a website with education material.
- County is strictly following all legal requirements to avoid the appearance of advocacy, and focusing materials to education around:
 - Funding distribution between GCS, GTCC, Fire and Rescue Council, and Municipalities
 - Timeline on when the funding would be available (Q4 of FY2027).
 - Ballot language and polling locations.

Timeline – Post Referendum

- **November 03, 2026** - Referendum takes place
- **November 19, 2026** - Provide 10 days public notice of intent to adopt resolution levying the new tax
- **December 17, 2026** – Approve resolution levying new tax
- **By December 31, 2026** – Forward adopted resolution levying the tax to Department of Revenue
- **April 01, 2027** – Collection of revenue for ¼% Sales Tax increase begins
- **July 2027** – Distribution of Sales Tax begins

Appendix



Ballot Question - Redline Option

"[] FOR [] AGAINST

Local sales and use tax at the rate of one-quarter of one percent (0.25%) in addition to all other State and local sales and use

"taxes to be used solely for, **after distributions to qualifying municipalities for any public purpose, classroom teachers and certified instructional support personnel salary supplements (70%), fire protection equipment purchases or capital expenditures (20%), and for Guilford Technical Community College facility renovations or expansion (10%).**

New Section to Clarify Supplanting

- e) County Use. – Each fiscal year, a county shall use the net proceeds of a tax distributed to it under this Article for the items and in the amounts and priority order as set forth in this subsection. A county, and any local board of education or community college to which a county distributes funds pursuant to this subsection, shall use the net proceeds of a tax distributed to it under this Article to supplement and not to supplant or replace existing funds or other resources for the items listed, and shall, at a minimum, maintain funding for the items listed at a level that meets the average level of funding provided for that item (or, if budget of the county, local board of education, or community college has not appropriated funds specifically for the item during the previous 10 years, for the budget appropriation that encompasses the item) during the previous 10 years. The items and amounts are as follows:
- (1) Twenty percent (20%) or five million dollars (\$5,000,000), whichever is greater, to the Guilford County Fire/Rescue Council for equipment purchases or capital expenditures necessary to provide fire protection services in the county in a Fire Protection District established under G.S. Chapter 69, Article 3a, or in a Fire Protection Service District established under G.S. Chapter 153A, Article 16, with an established tax rate, including any necessary expenses to administer these funds. Guilford County may establish a custodial fund for the benefit and use of the Guilford County Fire/Rescue Council.
 - (2) Ten percent (10%) or two million five hundred thousand dollars (\$2,500,000), whichever is greater, to the Guilford Technical Community College for capital expenditures including facility renovations or expansions.
 - (3) The remainder for classroom teacher and certified instructional support personnel salary supplements. For purposes of this subsection, a "classroom teacher" is an employee of a local board of education employed as a teacher who spends at least seventy percent (70%) of his or her work time in classroom instruction."