

# Government Affairs and Legislative Update

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**NORTH CAROLINA**  
State Board of Education  
Department of Public Instruction

# State Budget Update

## 2025 State Budget Timeline:

- ✓ Governor Stein will release his proposed FY 2025-27 biennial budget
- ✓ Senate will propose and approve budget
- ✓ Following Senate, House will propose and approve their budget proposal
- ❑ Chambers will appoint a conference committee to work out differences between proposed budgets with goal of sending a final budget to Governor by June/July



# State Budget Update

- **House approved its proposed budget on May 22.**
- **Proposed budget includes:**
  - 8.7% average raise for teachers over the biennium (according to the Speaker's Office)
    - Increase beginning teacher pay on salary schedule to \$48,000 in 2025-26 and \$50,000 in 2026-27
  - 2.5% salary increase for principals, central office administrators, and non-certified staff in 2025-26
  - Restores Masters pay for public school personnel



# Student and School Support

Request	DPI/SBE Request (FY 2025-26)	Governor's Budget (FY 2025-26)	Senate Budget (FY 2025-26)	House Budget (FY 2025-26)
Increase in School Health Personnel Allotment	\$65,490,706 (R)	\$32,745,000 (R)	\$13,917,965 (R)	
Implement Exceptional Children Weighted Funding Formula	\$89,400,000 (R) \$109,200,000 (NR)	\$27,000,000 (R)		\$10,600,000 (R)
Student Transportation Information Management (TIMS)	\$140,500 (R)	\$116,300 (R)		
New Cooperative Innovative High Schools (Martin County Schools, Moore County Schools, and Charlotte-Mecklenburg Schools)	\$635,000 (R)	\$635,000 (R)	\$1,110,000 (R)	
School Breakfast and Lunch at No Cost to Students	\$377,000,000 (R)	\$85,300,000 (R)		
Convert SRO Grants into an Appropriation Based on Formula for Elementary and Middle Schools	\$120,000,000 (R)	\$63,000,000 (R)		
Charter School Review Board Operating, Travel Expenses, and Legal Counsel	\$82,100 (R)	\$82,100 (R)	\$82,100 (R)	



# Academic Support and Coaching

Request	DPI/SBE Request (FY 2025-26)	Governor's Budget (FY 2025-26)	Senate Budget (FY 2025-26)	House Budget (FY 2025-26)
Support for Low Performing Districts	\$4,500,000 (R)	\$4,500,000 (R)		
Expand DIBELS Diagnostic to Grades 4-5	\$1,390,800 (R) \$966,508 (NR)	\$1,390,800 (R) \$967,000 (NR)	\$1,390,800 (R) \$966,508 (NR)	\$1,390,800 (R) \$966,508 (NR)
Expand Literacy Professional Development and Support to Grades 6-8 (9 FTE)	\$14,000,000 (R) \$25,002,000 (NR)	\$14,000,000 (R) \$25,002,000 (NR)	\$110,000 (R) \$1,560,000 (NR)	\$10,000,000 (R)
K-8 Math Screener	\$44,000,000 (R)			
High-Impact Tutoring Support for School Districts	\$23,200,000 (R) \$875,000 (NR)	\$6,000,000 (R)		
Beginning Teacher Support Program Regional Convenings	\$500,000 (R)			
Beginning Teacher Support Program Evaluation (FY27)	\$750,000 (NR)			
Professional Misconduct Investigator (1 FTE)	\$120,000 (R)	\$120,000 (R)		
Rulemaking Coordinator (1 FTE)	\$120,630 (R)	\$120,630 (R)		



# Technology

Request	DPI/SBE Request (FY 2025-26)	Governor's Budget (FY 2025-26)	Senate Budget (FY 2025-26)	House Budget (FY 2025-26)
One-to-One Device Refresh	\$152,620,000 (R)	\$100,000,000 (R) \$11,300,000 (NR)		
Additional State Funds for Federal E-Rate Match	\$2,500,000 (R)	\$2,500,000 (R)		
School Cybersecurity Support	\$6,910,000 (R)	\$6,910,000 (R)		
School Business Systems Modernization	\$45,000,000 (NR)	\$15,000,000 (NR)	\$45,000,000 (NR)	\$15,200,000 (NR)
Uniform Education Reporting System (UERS)	\$17,500,000 (R)	\$16,400,000 (R) \$1,100,000 (NR)	\$12,711,233 (R – 2026-27)	\$15,000,000 (NR) \$12,711,233 (R – 2026-27)
State Dept. of Information Technology (DIT) Billing Requirements	\$1,140,000 (R)	\$1,140,000 (R)	\$303,142 (R)	
M365/Google Backup Server Requirements for State DIT Policy	\$720,000 (R)	\$720,000 (R)		



# Compensation Pathways

Request	DPI/SBE Request (FY 2025-26)	Governor's Budget (FY 2025-26)	Senate Budget (FY 2025-26)	House Budget (FY 2025-26)
Advanced Teaching Roles (ATR) Salary Supplements	\$14,100,000 (R)	\$14,100,000 (R)	\$16,200,000 (R)	
Advanced Teaching Roles (ATR) Grants Expansion	\$2,000,000 (R)	\$2,000,000 (R)	\$1,000,000 (R)	



# Other Items of Note In House Budget

- \$2,500,000 (NR) for fresh fruits and vegetables grant program
- \$2,000,000 (NR) in both years to continue CTE learning platform modernization grant program
- \$1,000,000 (R) for teacher apprenticeship grant program (revised total for the program would be \$2,000,000)
- \$1,000,000 (NR) in both years for a competitive grant program focused on classroom agricultural technology for agricultural education
- \$500,000 (R) for speech and debate grant program
- \$1,000,000 (NR) in both years for an afterschool robotics grant program
- \$3,000,000 (NR) for a Responsible Fatherhood grant program



# Other Items of Note In House Budget

- \$2,100,000 (NR) in both years for additional funding for technology and services to mitigate cyberbullying
- \$1,200,000 (NR) for Failure Free Reading
- \$1,000,000 (NR) for Scholar Education Artificial Intelligence (AI) initiative
- \$2,000,000 (NR) for All Pro Dad program
- \$2,000,000 (NR) to Union County Public Schools for its high-intensity tutoring program



# Other Items of Note In House Budget

- Eliminates \$800,000 (R) in funding for Mobile Coding Grant Program
- Eliminates \$1,800,000 (R) in funding for Plasma Games contract
- Eliminates \$2,225,000 (R) for NC Association of School Business Officers
- Eliminates four identified positions at DPI (total reduction of \$712,967 R)
- Eliminates \$1,848,573 (R) in funding for vacant positions at DPI
- Eliminates an additional \$1,771,680 (R) in funding for vacant positions and repurposes that funding for a labor market adjustment reserve



# Non-Budget Legislative Requests in House Budget

- Portfolio requirement for individuals seeking principal licensure
- Revise provisions for the CEP Meal Program Incentive program
- Sunset the Textbook Commission
- Eliminates or revises several required legislative reports



# Other Provisions in House Budget

- Fiscal Responsibility and K-12 Tech Planning
- Charter School Review Board Amendments
- Student Use of Wireless Communication Devices
- Teacher Apprenticeship Program
- Residency Licenses for Nonpublic EC Teachers
- Class Size Exemption for Growing Counties
- Repeal Economically Disadvantaged Public Schools Support Program and Establish Economically Disadvantaged Charter Schools Support Program
- Require Local Board of Education to Publish Total Compensation and Position Information for Central Office Employees
- Expand K-6 License to Include Grades 7 and 8
- Broaden Teaching Fellows Award Parameters



# Fiscal Impact of Budget Proposals

- In February, OSBM and the Fiscal Research Division released Consensus Revenue Forecast
  - FY 2024-25 - anticipate \$34.71 billion in revenues (overcollections of \$544 million or \$1.6% from May 2024 forecast)
  - FY 2025-26 – anticipate \$34.89 billion in revenues (growth of 0.5%)
  - FY 2026-27 – anticipate \$34.07 billion in revenues (growth of -2.4%)
- Despite economic growth, forecasters pointed out that the “reductions in the individual and corporate income tax rates” are causing the “negligible growth in FY 2025-26 and a decline in FY 2026-27”
- Last week, forecasters revised down their revenue forecast for the biennium due to “anticipated slow economic growth”
- Both the Senate and House budget proposals include changes to personal income tax rates and other tax changes

# Fiscal Impact of Budget Proposals

*Fiscal Impact of Tax Changes of the Senate and House Budget Proposals (\$ in millions)*

	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
<b>Senate (S257, v2)<sup>1</sup></b>	\$(41.2)	\$(24.5)	\$(1,222.6)	\$(2,543.7)	\$(2,670.3)
<b>House (S257, v4)<sup>2</sup></b>	\$(95.4)	\$909.0	\$2,164.0	\$2,280.1	\$2,403.3

<sup>1</sup> From Senate Bill 257 (Second Education) Legislative Fiscal Note, April 15, 2025

<sup>2</sup> From Senate Bill 257 (Fourth Edition) Legislative Fiscal Note, May 19, 2025



# HB 1012: Disaster Recovery Act of 2025 – Part II.

- Latest [Hurricane Helene relief bill](#) was introduced on 5/21 and unanimously approved in House on 5/22; sent to Senate.
- Requires the additional transfer to the Helene Fund of **\$69.35 million** in FY 25-26 and **\$4.6 million** in FY 26-27 (including \$12.5 million in unused funds for lost employee compensation due to school closures)
- Appropriates **\$464.75 million** from the Helene Fund in FY 25-26 to be provided to various state agencies, including **\$33 million to DPI** as follows:
  - **\$25 million** to disburse as competitive grants to PSUs for total school rebuilds (applicants must have at least \$30 million in total damages); and
  - **\$8 million** to disburse as a competitive grant program to PSUs for school building repairs with a max grant award of \$500,000 (applicants must have been denied insurance coverage and federal aid).
- Other notable appropriations include funds for: *road repairs and renovation; debris and sedimentation removal; repair and renovation of parks, libraries, and museums; community college tuition and fees for impacted students; and repairs and renovation of affected higher education facilities.*



# Senate Crossover Bills to Watch

- **SB 55: Student Use of Wireless Communication Devices**
- **SB 227: Eliminating "DEI" in Public Education**
- **SB 229: Authorize NIL Agency Contracts**
- **SB 507: Auto Enrollment in Advanced ELA Courses**
- **SB 754: School Calendar Flexibility: A New Alternative**

*Access full 2025-2026 Bill Tracking Document (updated daily and shared in weekly newsletter) [HERE](#)*



# House Crossover Bills to Watch

- [HB 87: Cell Phone-Free Education](#)
- [HB 121: SchCalFlex/Statewide/Open Cal.](#)
- [HB 171: Equality in State Agencies/ Prohibition on DEI](#)
- [HB 414: 1-to-1 Credit for Career and College Promise.](#)
- [HB 415: Modify Math & Social Studies Grad. Req.](#)
- [HB 433: Registered Nurses in Schools.](#)
- [HB 773: School Performance Grade Changes.](#)
- [HB 854: Require Licensure of Educational Interpreters](#)
- [HB 875: DPI to Redesign Math Instruction.](#)

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# Questions and Discussion





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