

August Legislative Update

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NORTH CAROLINA
State Board of Education
Department of Public Instruction

State Budget Update

- NCGA passed a “mini-budget” bill, [HB 125: Continuing Budget Operations](#), on 7/29; presented to the Governor on 8/1.
- Comprehensive 2025 State Budget still TBD.
- DPI and OSBM are currently trying to determine if HB 125 is intended to be the final adjustment to the base budget.
- Lawmakers also passed [SJR 772 \(Res. 2025-8\): Adjournment Resolution](#), limiting the types of bills that may still be heard and laying out legislative schedule for remainder of session (*one day per month through April 2026 start of short session*).



HB 125: Continuing Budget Operations

Presented to Governor 8/1 for final consideration

- **Makes various budgetary adjustments and other changes to ongoing budget operations in the state; Makes the following key changes affecting K-12 education:**
 - **Technical adjustments** — Provides funding for items such as public school enrollment growth, Exceptional Children headcount, and Low-Wealth funding;
 - **Authorizes step increases** for teachers and instructional support;
 - **Uniform Education Reporting System (UERS)** — Provides \$9.4 million (out of \$17.5 M requested) to support new student information system (SIS);
 - **DPI Personnel Reduction** — Requires DPI to eliminate \$1.8 million in vacant state appropriated positions;
 - **Other** — Eliminates “Plasma Games” and “Beginnings for Parents of Children Who are Deaf or Hard of Hearing”; Provides additional Lottery funding for school capital needs; Modifies SL 2025-26 to provide more funding flexibility to Yancey County Schools for impacted school facilities.



Other Recent Bill Action: House Bill 87

- **HB 87: Educational Choice for Children Act (ECCA)**

Presented to Governor 8/1 for final consideration

- **Elects NC to participate in the federal tax credit program** established by the “Big Beautiful Bill Act” recently passed by Congress; program to begin in 2027.
- **Allows any individual taxpayer to receive a federal tax credit equal to the amount of their charitable contributions** (up to \$1,700) to a qualifying “scholarship granting organization” (SGO); requires NCSEAA to publicly publish list of eligible SGOs.
- **Allows eligible students** (defined as eligible to enroll in public elementary or secondary school and living in a household with an income not greater than 300% of the “median gross income”) **to apply for these funds, to be used for “qualifying education expenses”** — *tuition, fees, tutoring, special needs services, books, supplies, room and board, uniforms, transportation, and supplementary education items.*



New Education-Related Laws: SL 2025-80

- **SB 254 (SL 2025-80): Charter School Changes*** — Amends various charter school laws to:
 - Provide greater authority to the Charter School Review Board (CSRB) in rulemaking, oversight of federal charter school funding, oversight of low-performing charter schools, and management of the Office of Charter Schools;
 - Clarify that a change in the location or boundaries of charter school within a 10-mile radius is not a material charter revision;
 - Clarify a charter school is not required to list class rank on a student's official transcript or record;
 - Require DPI to continue to provide a charter school access to required financial data reporting platforms during the charter's first year of operation at no cost to the charter; and
 - Clarify laws regarding requirements for remote charter schools.



Other New Education-Related Laws

- **HB 805 (SL 2025-84): Prevent Sexual Exploitation/Women Minors***
 - Defines the two sexes in state law;
 - Establishes regulations to ensure that adult content posted online without an individual's consent is removed;
 - Allows students with religious objections to be excused from certain classroom discussions or activities;
 - Allows greater parental access to library books; and
 - Provides restrictions on school sleeping quarters.



Education-Related Bills To Watch

- **SB 227: Eliminating “DEI” in Public Education***
 - *placed on 8/26 House Calendar for potential veto override vote*
- **SB 558: Eliminating “DEI” in Public Higher Ed***
 - *placed on 8/26 House Calendar for potential veto override vote*
- **SB 257: 2025 Appropriations Act**
 - *in conference committee since 6/5*
- **SB 449: Fisc Resp & K-20 Tech Plan/Centr Offic Salary**
 - *in conference committee since 6/24*



Review: Other Key Enacted K-12 Legislation

- [HB 47: Disaster Recovery Act of 2025 – Part I \(SL 2025-2\)](#)
- [HB 91: Define Armed Forces/Religious Property Tax Exclusion \(SL 2025-20\)](#)
- [HB 1012: Disaster Recovery Act of 2025 – Part II \(SL 2025-26\)](#)
- [SB 770: General Assembly Appointments \(SL 2025-29\)](#)
- [HB 959: Various Education Changes \(SL 2025-38\)](#)
- [SB 77: School Contracted Health Services \(SL 2025-40\)](#)
- [HB 378: Various Ed Law/Tax Acct/NIL Changes \(SL 2025-46\)](#)
- [SB 600: Improve Health and Human Services \(SL 2025-60\)](#)



Questions and Discussion

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





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