

Government Affairs and Legislative Updates

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NORTH CAROLINA
State Board of Education
Department of Public Instruction

Updated Legislative Priorities

Recommendation to add to short session budget priorities:

- Supplemental funding for new Cooperative Innovative High Schools (Durham Public Schools, Asheville City Schools, and Hertford County Public Schools) - \$655,000 R



Key Legislative Dates

- April 6-9, 2026 – Regular Session
- ***April 21, 2026 – Short Session convenes***



State Budget Update

- On March 9, Gov. Stein released a Critical Needs Budget proposal for FY 2025-26
- Proposal included:
 - Average 5.8% raise for teachers and instructional support personnel for the 2025-26 school year, raising beginning teacher pay, including local supplements, to \$49,518
 - 2.5% increase in principal pay
 - Restoration of masters pay for all teachers with a master's degree in the subject area they teach
- Anticipate that Gov. Stein will release a full state budget proposal for FY 2026-27 in April



State Budget Update

- The Consensus Forecasting Group, comprised of economists at OSBM and the General Assembly’s Fiscal Research Division, released a Consensus Revenue Forecast on March 24
 - FY 2025-26 – anticipate \$35.08 billion in revenue (\$370 million more than certified revenue)
 - FY 2026-27 – anticipate \$34.72 billion in revenue (\$951 million more than certified revenue)
- Forecasters pointed out that the tax reductions currently in law “will reduce revenue collections in FY 2026-27”
- Forecasters anticipate revenue will be high enough in FY 2025-26 and FY 2026-27 to trigger two additional income tax reductions from 3.99% for 2026 to 3.49% in 2027 and then to 2.99% in 2028



Questions and Discussion





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