

Government and Community Affairs Updates

*Geoff Coltrane, Senior Director of Government Affairs and Strategy
Office of Government Affairs*

June 3, 2026

NCGA Budget Framework

- House & Senate leadership announced on May 12 they had reached a compromise on 2 major budget items — salaries & proposed income tax cuts.
- Lawmakers continue to negotiate other aspects of the budget.
- Here's what we know so far:
 - 8% average raise for teachers, with higher raises for beginning teachers and less for more experienced teachers; but teachers with >15 years of experience receive \$1,750 bonus (\$1,000 bonus for less experienced teachers)
 - 3% raise for state employees; Employees making <\$65,000 would receive a \$1,750 bonus (\$1,000 bonus for higher incomes)
 - 2.5% bonus for retirees
 - Continues Opportunity Scholarship Program (but exact details unknown)
 - Personal Income Tax Rates - 3.49% for 2027-29; 3.24% for 2030-32; 2.99% for 2033-34; 2.49% when revenue triggers are reached after that point (current rate is 3.99%)

May Revised Consensus Revenue Forecast

- Revised Forecast anticipates:
 - Overcollections in FY 2025-26 of \$979 million, which is \$609 million higher than in the March 2026 consensus forecast
 - Increased revenue of \$713 million (2.1%) for FY 2026-27 from the March 2026 consensus, which is \$1.66 billion (4.9%) higher than certified revenues
- Revised Forecast reflects strong tax collections across multiple major revenue sources for FY 2025-26 and a modestly improved economic outlook for the upcoming fiscal year
- Revised Forecast brings year-over-year growth to 3.3% in FY 2025-26 and -0.7% in FY 2026-27

Enacted Bills of Note

- [H1089: Constitutional Amendment Property Tax Levy Limit](#)
- [S1080: Lower Taxes for All NC](#)

Bills to Watch

- [H87: Educational Choice for Children Act](#)
- [H301: Social Media & AI Safety](#)
- [S840: Teacher Licensure Modifications](#)
- [S1044: Foundational Mathematics Act](#)
- [S990: Students First Act](#)
- [S991: Community College Workforce Readiness Act](#)
- [S1006: K-12 Innovation and Transformation Act](#)

Bills to Watch

- [S445: Regulatory Reform Act of 2026](#)
- [H144: Elect SBE/Superintendent as SBE Chair](#)
- [H1143: Principal Fellows & MSA Intern Stipends](#)
- [H1110: Early Intervention School Attendance Pilot](#)
- [H451: Diabetes Education for Parents](#)
- [H1026: Remote Instruction for Excess Emergencies](#)
- [H1124: Interstate Compact for School Psychologists](#)

Questions and Discussion



North Carolina Department of
PUBLIC INSTRUCTION