Government Affairs Updates and FY 2027-28 Recommended Budget Priorities

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Key Legislative Dates

- Anticipating the General Assembly to reconvene on:
  - November 16-19
  - November 30-December 18

- January 2027 – 2027-28 General Assembly will convene

Request for School Transportation Fuel Reserve

- For the November session, DPI is requesting $40 million NR for a school transportation fuel reserve to cover excess fuel costs for the 2026-27 school year
- Funds would be distributed to school districts and charter schools based on need
- Data from the Fleet System shows that expenditures on diesel fuel for the first two months of the school year have been nearly twice the expenditures during the same time period for the previous two school years.
  - 2026-27 (8/1 to 10/6): 3.8 million gallons purchased at $17.1 million
  - 2025-26 (8/1 to 10/6): 3.6 million gallons purchased for $8.6 million
  - 2024-25 (8/1 to 10/6): 3.7 million gallons purchased for $8.6 million

FY 2027-28 Budget Development Timeline

- Based on Board input and requests from DPI divisions, DPI leadership will craft recommended legislative agenda for the Board's consideration at the November meeting
- OSBM has requested all budget requests for the Governor's budget by early January
- Similar to the 2026 short session, we would like to identify priorities for this session and longer term priorities

FY 2027-28 Recommended Overall Priorities

Overall priorities to strengthen our public schools:

- ***Invest in raising teacher, administrator, and non-certified staff pay, with a specific focus on raising pay for veteran educators, so that North Carolina has the highest teacher salaries in the Southeast.***
- Restore master's pay for all educators
- Reform the principal pay plan
- Help address the ~$13 billion* in school construction needs across the state
- Place a moratorium on expansion of the Opportunity Scholarship program and offer no new awards to students beginning in the 2027-28 fiscal year.
  - Redirect the funding appropriated for new Opportunity Scholarships for the 2027-28 fiscal year to addressing needs in our public schools.
  - Future funding increases for the Opportunity Scholarship program should be limited to the annual percentage increase in funding for the State Public School Fund.

* This dollar amount will be updated with data from the 2025-26 Facility Needs Survey

FY 2027-28 Recommended Budget Priorities

Implement the Exceptional Children Weighted Student Funding Model

$103,000,000 R
$26,000,000 NR

High-Quality Instructional Materials for Literacy and Math

$300,000,000 NR in each year of the biennium

Needs-Based Public School Capital Fund

$117,000,000 R

Public School Repair and Renovation Fund

$25,000,000 R

UNC School of Government Training for School Finance Officers and HR Directors

$880,000 R

Increase Funding for School Health Personnel Allotment

$68,500,000 R

One-to-One Device Refresh (over five years)

$115,000,000 R

Stabilize and Expand NC Governor's School

$1,500,000 R

*Dollar amounts are current estimates and may be updated as new data becomes available during the 2026-27 school year

FY 2027-28 Budget Priorities

Cybersecurity and Single Sign On Services for PSUs

$3,500,000 R (27-28)
$8,300,000 R (28-29)

Additional State Funds for Federal E-Rate Match

$2,500,000 R

K-8 Foundational Math Regional Consultants (8 FTE) to Support Low-Performing Schools

$960,000 R

Beginning Teacher Support Program

$500,000 R
$750,000 NR

Two Professional Misconduct Investigators, One Attorney and DOJ Legal Fees (3 FTE)

$710,000 R

Dues Increases for Statutory Required Memberships

$156,800 R

*Dollar amounts are current estimates and may be updated as new data becomes available during the 2026-27 school year

Questions and Discussion

NORTH CAROLINA
State Board of Education
Department of Public Instruction