

Mission

To position North Carolina’s public schools as the best in the United States by 2030.

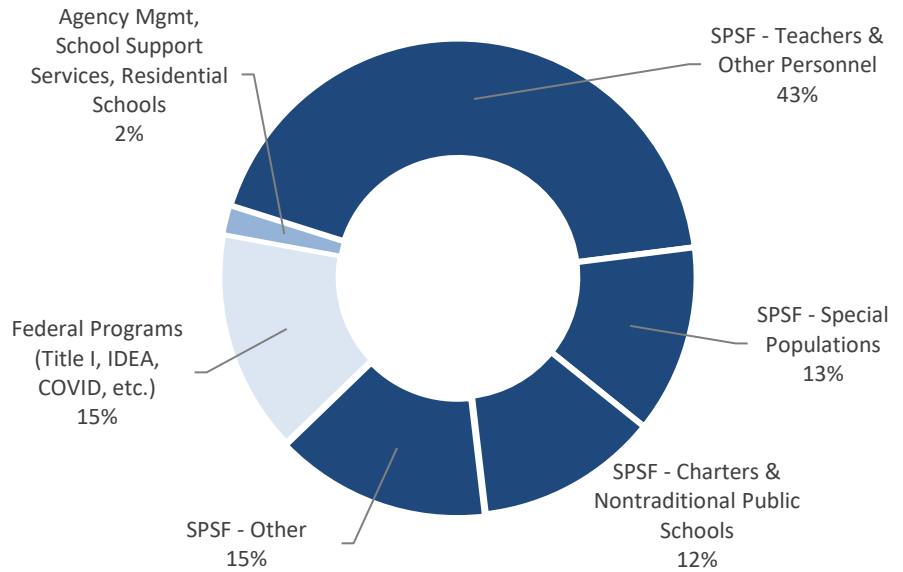
Vision

NC public schools will achieve educational excellence by preparing students for their next phase in life, elevating and revering educators, strengthening family and community partnerships, and ensuring that schools are safe, healthy, and inclusive places for all.

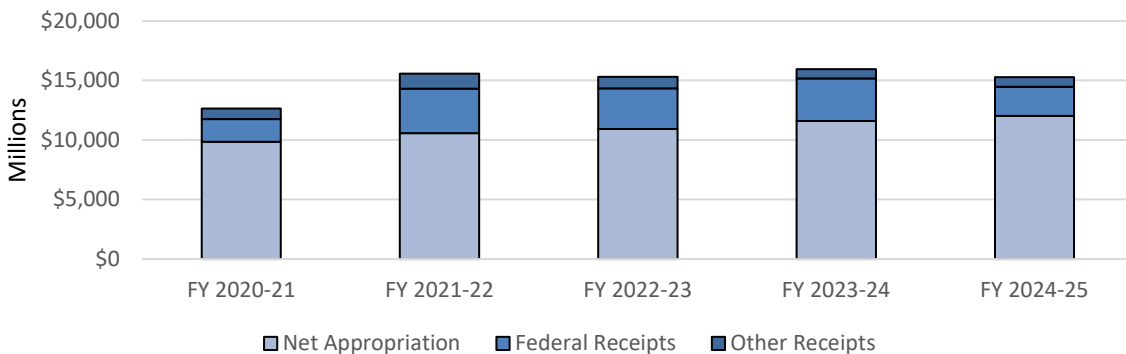
Agency Profile

- Implements laws, policies, and procedures governing public education for K through 12th grade at the direction of the State Board of Education and the Superintendent of Public Instruction.
- Provides leadership and service to 115 local public-school districts and 2,400+ traditional public schools, 200+ charter schools, lab and regional schools, the North Carolina Virtual Public School, and the North Carolina Governor’s School, serving about 1.5 million K-12 students across the state. The three residential schools for students with hearing and visual impairments were established as separate agencies as of July 1, 2025.
- Administers state and federal funds totaling over \$15 billion, and licenses and supports the development of the 128,000 teachers and administrators who serve public schools.

FY 2024-25 Actual Expenditures



5-Year Historical Expenditures



Charts include General Fund budget code only.

Public Instruction - General Fund (13510)

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 14,559,608,853	\$ 449,159,000	\$ 54,760,970	\$ 503,919,970	\$ 15,063,528,823	3.5%
Receipts	\$ 2,677,126,105	\$ -	\$ -	\$ -	\$ 2,677,126,105	0.0%
Net Appropriation	\$ 11,882,482,748	\$ 449,159,000	\$ 54,760,970	\$ 503,919,970	\$ 12,386,402,718	4.2%
Positions (FTE)	784.728	-	-	-	784.728	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 14,559,643,586	\$ 1,241,382,245	\$ 510,901,263	\$ 1,752,283,508	\$ 16,311,927,094	12.0%
Receipts	\$ 2,612,622,303	\$ 79,727,388	\$ 15,000,000	\$ 94,727,388	\$ 2,707,349,691	3.6%
Net Appropriation	\$ 11,947,021,283	\$ 1,161,654,857	\$ 495,901,263	\$ 1,657,556,120	\$ 13,604,577,403	13.9%
Positions (FTE)	784.728	28.810	-	28.810	813.538	3.7%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase – Teachers and Instructional Support

Updates the teacher salary schedule to raise starting teacher salaries to the highest in the Southeast and provides an 11% average raise for all existing teachers by FY 2026-27. North Carolina starting teacher salaries currently rank 45th in the nation and 11th out of 12 in the Southeast. This schedule eliminates a 10-year pay plateau for experienced teachers, instructional support personnel, school psychologists, speech pathologists, and audiologists. State agency teacher salaries are increased in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation increases.

Req \$	371,498,000	\$ -	\$ 734,368,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	371,498,000	\$ -	\$ 734,368,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 Compensation Increase – School-based Administrators

Provides funds to improve recruitment and retention for school-based administrators through salary increases. Assistant principal salaries are tied to the teacher salary schedule. Funding supports a 5% total increase for existing principals over the biennium to keep up with inflation. Corresponding special provisions show additional details on these compensation increases.

Req \$	14,789,000	\$ -	\$ 28,789,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	14,789,000	\$ -	\$ 28,789,000	\$ -
FTE	0.000	0.000	0.000	0.000

3 Master's Pay

Attracts and retains teachers by restoring master's degree pay for more than 1,000 teachers whose advanced degrees are in the subjects they teach. Research suggests that master's pay may help retain early- to mid-career teachers who have not yet reached their peak teacher productivity but are more likely than more experienced teachers to exit the profession.

Req \$	10,000,000	\$ -	\$ 10,000,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	10,000,000	\$ -	\$ 10,000,000	\$ -
FTE	0.000	0.000	0.000	0.000

4 Compensation Increase Reserve - DPI

Increases all state-funded employee salaries by 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	1,247,000	\$ -	\$ 2,483,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	1,247,000	\$ -	\$ 2,483,000	\$ -
FTE	0.000	0.000	0.000	0.000

5 Compensation Increase Reserve - Non-Certified and Central Office Staff

Increases all state-funded employee salaries by 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	51,625,000	\$ -	\$ 103,250,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	51,625,000	\$ -	\$ 103,250,000	\$ -
FTE	0.000	0.000	0.000	0.000

	R Changes	NR Changes	R Changes	NR Changes
Reserve for Salaries and Benefits				
6 State Employee Bonus - DPI				
Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.	Req \$	- \$	- \$	1,010,000
	Rec \$	- \$	- \$	-
	App \$	- \$	- \$	1,010,000
	FTE	0.000	0.000	0.000
7 State Employee Bonus - Public School Personnel				
Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.	Req \$	- \$	- \$	253,737,000
	Rec \$	- \$	- \$	-
	App \$	- \$	- \$	253,737,000
	FTE	0.000	0.000	0.000
8 State Health Plan Contributions - DPI				
Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.	Req \$	- \$	311,142 \$	-
	Rec \$	- \$	- \$	-
	App \$	- \$	311,142 \$	-
	FTE	0.000	0.000	0.000
9 State Health Plan Contributions - Public School Personnel				
Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.	Req \$	- \$	96,506,170 \$	-
	Rec \$	- \$	- \$	-
	App \$	- \$	96,506,170 \$	-
	FTE	0.000	0.000	0.000
10 Retiree Supplement - DPI				
Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.	Req \$	- \$	260,568 \$	260,568
	Rec \$	- \$	- \$	-
	App \$	- \$	260,568 \$	260,568
	FTE	0.000	0.000	0.000
11 Retiree Supplement - Public School Personnel				
Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.	Req \$	- \$	54,500,402 \$	54,500,402
	Rec \$	- \$	- \$	-
	App \$	- \$	54,500,402 \$	54,500,402
	FTE	0.000	0.000	0.000
Department-wide				
12 Vacant Position Reductions				
Eliminates funding for positions that have been vacant for three years or more. The department shall abolish these positions.	Req \$	- \$	(26,142) \$	-
	Rec \$	- \$	- \$	-
	App \$	- \$	(26,142) \$	-
	FTE	0.000	(0.800)	0.000
Technical Adjustments				
13 Enrollment Adjustment				
Adjusts funding for multiple public school allotments based on average daily membership (ADM) to reflect changes in student population. This item also adjusts for changes in budgeted average salaries and in public school allotments not based on ADM, such as transportation. Department of Revenue Sales and Use Tax receipts offset General Fund appropriations to the State Public School Fund.	Req \$	- \$	(37,464,181) \$	-
	Rec \$	- \$	6,500,000 \$	-
	App \$	- \$	(43,964,181) \$	-
	FTE	0.000	0.000	0.000
14 Contingency Reserve				
Appropriates funds to the ADM Contingency Reserve to support projected student increases for the 2026-27 school year. Most Opportunity Scholarship voucher payments go to students who already attended private schools, but this portion of the public funds saved through the Opportunity Scholarship Moratorium supports students who previously received vouchers but will now return to North Carolina's excellent public schools.	Req \$	- \$	- \$	12,500,000
	Rec \$	- \$	- \$	-
	App \$	- \$	- \$	12,500,000
	FTE	0.000	0.000	0.000

R Changes NR Changes R Changes NR Changes

Technical Adjustments

15 Classroom Materials/Instructional Supplies/Equipment

Transfers funds from the Indian Gaming Education Revenue Fund to support the Classroom Materials/Instructional Supplies/Equipment allotment. Schools may use these funds to purchase materials or refresh devices such as laptops. Total recurring requirements for this allotment remain unchanged.

Req \$	-	\$	-	\$	-	\$	-
Rec \$	-	\$	-	\$	2,000,000	\$	-
App \$	-	\$	-	\$	(2,000,000)	\$	-
FTE	0.000		0.000		0.000		0.000

16 Residential School Transportation Budget Realignment

Reduces the budget for the Department of Public Instruction (DPI) for transportation funds that have historically been transferred to NC's three residential schools for deaf and blind students. The schools became independent state agencies as of July 1, 2025, and this item permanently realigns their transportation funds. Corresponding items in the residential schools' sections of the budget show increases totaling \$900,000.

Req \$	-	\$	-	\$	(900,000)	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	-	\$	-	\$	(900,000)	\$	-
FTE	0.000		0.000		0.000		0.000

Student Safety and Well-Being

17 Universal School Breakfast at No Cost to Students

Provides funding for public schools to offer breakfast at no cost to all students. Schools participating in the Community Eligibility Provision (CEP) already offer breakfast at no cost to all students. DPI will reimburse non-CEP schools for breakfasts served. This will enable school cafeterias to serve almost 190,000 free school breakfasts each school day. Research shows that receiving free breakfast improves student health, attendance, learning, and behavior. This investment is funded in part through receipts from the Education Lottery and the Civil Penalty and Forfeiture Fund.

Req \$	-	\$	-	\$	85,300,000	\$	-
Rec \$	-	\$	-	\$	71,227,388	\$	-
App \$	-	\$	-	\$	14,072,612	\$	-
FTE	0.000		0.000		0.000		0.000

18 School Health Personnel

Supports student mental and physical health by funding additional school counselors, nurses, social workers, and psychologists through the School Health Personnel allotment. Evidence shows that specialized support personnel increase student achievement, reduce absences and misbehavior, and increase four-year college enrollment. This item will fund more than 360 new school health personnel positions, which would also move North Carolina toward achieving nationally recommended ratios for these professional positions in schools.

Req \$	-	\$	-	\$	32,135,000	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	-	\$	-	\$	32,135,000	\$	-
FTE	0.000		0.000		0.000		0.000

19 School Resource Officer Allotment for Middle Schools

Funds a school resource officer (SRO) position in each middle school through a new school resource officer allotment. A corresponding special provision directs DPI to work with the NC Criminal Justice Education and Training Standards Commission to establish initial training and continuing education standards for SROs, including more pre-service, behavioral health, and trauma-informed training. A corresponding item in the State Bureau of Investigation section reduces funding for SRO grants to incorporate those funds into this new allotment to fund 535 total positions.

Req \$	-	\$	-	\$	50,000,000	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	-	\$	-	\$	50,000,000	\$	-
FTE	0.000		0.000		0.000		0.000

20 School Bus Routing System Contract

Provides additional funding to maintain the Transportation Information Management System (TIMS) that coordinates efficient school bus routing. DPI contracts with NC State University and UNC-Chapel Hill to conduct the analysis that supports the equitable distribution of state transportation funding to public school units (PSUs). Appropriations for this purpose have not increased in line with contract costs.

Req \$	-	\$	-	\$	120,200	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	-	\$	-	\$	120,200	\$	-
FTE	0.000		0.000		0.000		0.000

		R Changes	NR Changes	R Changes	NR Changes
Support, Recruit, and Retain					
21 Teacher Supply Stipend					
Provides a \$300 tax-deductible stipend to every public school teacher to purchase teaching supplies and classroom materials. North Carolina teachers spend the second most out-of-pocket dollars of all teachers in the nation on classroom materials, reducing already low total teacher compensation.	Req \$	-	\$ -	\$ -	\$ 30,000,000
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ 30,000,000
	FTE	0.000	0.000	0.000	0.000
22 Support for Low-Performing Districts					
Provides funds for DPI's district and regional support model, which provides targeted and comprehensive assistance to low-performing schools and districts through professional learning, coaching, systems design, and capacity building. Preliminary analysis of this model shows positive effects on school performance grades and student test scores.	Req \$	-	\$ -	\$ 4,500,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ 4,500,000	\$ -
	FTE	0.000	0.000	16.000	0.000
23 NC Center for the Advancement of Teaching					
Provides funds for the NC Center for the Advancement of Teaching (NCCAT) to expand professional development programming for teachers in all regions and districts of the state. Expanded operations at NCCAT's Cullowhee campus will train an additional 2,000 teachers a year and support at least 50,000 public school students annually. These funds support operations and positions, including new faculty, administrative, program support, and operations positions.	Req \$	-	\$ -	\$ 922,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ 922,000	\$ -
	FTE	0.000	0.000	6.000	0.000
24 Beginning Teacher Support Program					
Provides funds to support beginning teachers through the early stages of their careers to remain, excel, and continuously grow as educators. Data from the State of the Teaching Profession report consistently shows that early-career teachers, especially first-year teachers, are more likely to leave the profession than their more experienced counterparts. This investment provides funds to hold regional convenings that provide professional learning and resources to support beginning teachers. Nonrecurring funds support an evaluation to assess and propose improvements to the Beginning Teacher Support Program.	Req \$	-	\$ -	\$ 500,000	\$ 750,000
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ 500,000	\$ 750,000
	FTE	0.000	0.000	0.000	0.000
Advance Educational Excellence and Innovation					
25 Exceptional Children New Funding Formula					
Modernizes Exceptional Children funding by supporting all eligible students based on their needs and service levels. The new allotment formula accounts for the frequency, intensity, and duration of special education and related services and aligns resources with students' individualized education program (IEP) requirements. The state will support 70% of the new model, with the remainder split between the federal government and local school districts. Nonrecurring stabilization funds maintain federal compliance by ensuring that no PSUs experience state funding decreases under the new model. The ADM Technical Adjustment includes \$4.5 million to support this item, and a special provision provides additional details.	Req \$	-	\$ -	\$ 63,450,653	\$ 33,434,785
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ 63,450,653	\$ 33,434,785
	FTE	0.000	0.000	0.000	0.000
26 Devices for Students					
Helps public schools continue providing every student with a laptop once devices originally purchased with federal COVID relief funds reach end-of-life. Access to digital and online learning tools is now essential for classroom success, and this initiative helps students maintain access. This investment is funded in part through receipts from the Civil Penalty and Forfeiture Fund.	Req \$	-	\$ -	\$ -	\$ 100,000,000
	Rec \$	-	\$ -	\$ -	\$ 15,000,000
	App \$	-	\$ -	\$ -	\$ 85,000,000
	FTE	0.000	0.000	0.000	0.000
27 Advanced Teaching Roles – Salary Supplements for Leadership Roles					
Expands funding for more than 3,200 new teacher salary supplements as part of the Advanced Teaching Roles (ATR) program. ATR creates classroom leadership roles so that excellent teachers can earn higher pay while remaining in the classroom. Advanced teachers create a multiplier effect to improve quality school-wide by coaching novice teachers and reaching more students.	Req \$	-	\$ -	\$ 38,003,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ 38,003,000	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
Advance Educational Excellence and Innovation					
28 Advanced Teaching Roles – District Design and Implementation Grants					
Provides supplemental funding for the Advanced Teaching Roles program established in GS 115C-310.1. These funds will allow DPI to fully fund design and implementation costs for three to four additional districts in the next award cycle. Research shows that ATR improves student scores, particularly in math and science.	Req \$	-	\$ -	\$ 2,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ 2,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
29 Diagnostic Reading Assessments for Grades 4 and 5					
Extends state diagnostic reading assessments and literacy intervention plans to 4th and 5th graders. This funding will help to identify where student performance lags and help educators tailor lessons and professional development accordingly. Schools currently use these assessments for K-3 classrooms, and this investment is a key step to expand literacy instruction improvements to the middle grades.	Req \$	-	\$ -	\$ 1,427,000	\$ 966,508
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ 1,427,000	\$ 966,508
	FTE	0.000	0.000	0.000	0.000
30 Middle Grades Literacy Initiative					
Expands the early grades literacy initiative to address an urgent need in middle grades. North Carolina's K-3 students continue to outperform the national average on reading assessments, but reading proficiency begins to decline in middle grades without continued support. Recurring funds provide professional development to all grade 6-8 core content teachers, develop district resources aligned to literacy intervention plans, and provide a tiered structure of state and regional support. Nonrecurring funds include professional development and bonuses for teachers who complete the training outside of their regular workday.	Req \$	-	\$ -	\$ 15,380,000	\$ 23,600,000
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ 15,380,000	\$ 23,600,000
	FTE	0.000	0.000	9.000	0.000
31 High-Impact Tutoring Support for School Districts					
Provides funds to support high-impact tutoring in low-performing districts. The most recent National Assessment of Educational Progress (NAEP) showed that 70% of NC fourth graders were below proficient in reading and 59% were below proficient in math. High-impact tutoring is a research-backed strategy to help students catch up.	Req \$	-	\$ -	\$ 3,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ 3,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
32 Cooperative Innovative High Schools					
Funds three new Cooperative Innovative High Schools that have been conditionally approved by the State Board of Education. These schools support students whose parents did not complete a high school degree, who are at risk of dropping out, or who would benefit from accelerated academic instruction. Research shows that schooling that combines high school and college experiences has positive impacts on associate's degree completion, as well as bachelor's degree completion for low-income students and first-generation college-goers.	Req \$	-	\$ -	\$ 655,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ 655,000	\$ -
	FTE	0.000	0.000	0.000	0.000
33 Limited English Proficient Funding Formula					
Simplifies the Limited English Proficiency allotment formula to provide funds based solely on the number of qualifying students and stabilizes funding to transition to the new formula. A special provision contains additional details on this item.	Req \$	-	\$ -	\$ -	\$ 142,000
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ 142,000
	FTE	0.000	0.000	0.000	0.000
34 American High School Exchange Program					
Provides a grant to expand cross community student exchange opportunities for North Carolina public high school graduates. The initiative will support short, cost-effective exchanges that foster civic understanding, workforce awareness, and post-secondary readiness. Funds may be used to support program planning, implementation, evaluation, and community partnership activities needed to deliver high-quality exchange experiences.	Req \$	-	\$ -	\$ 100,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ 100,000	\$ -
	FTE	0.000	0.000	0.000	0.000

	R Changes	NR Changes	R Changes	NR Changes
Advance Educational Excellence and Innovation				
35 Single Sign-On Uniform Education Reporting System				
Increases funding for single sign-on (SSO) services to cover significant increases in subscription costs and ensure business continuity. SSO bolsters security by automating account activation and deactivation and mitigating the threat caused by re-used passwords. SSO supports more than 40 applications and manages more than two million active accounts across the state's PSUs and DPI, with more than one million daily authentications.	Req \$	- \$	- \$	8,100,000 \$
	Rec \$	- \$	- \$	- \$
	App \$	- \$	- \$	8,100,000 \$
	FTE	0.000	0.000	0.000
36 Broadband Access and Classroom Connectivity				
Ensures that all of the more than 2,500 public schools across the state maintain access to reliable high-speed internet access by providing state matching funds for public schools to maximize federal E-Rate funding. This match unlocks more than \$7.5 million in federal E-Rate funds each year.	Req \$	- \$	- \$	2,587,500 \$
	Rec \$	- \$	- \$	- \$
	App \$	- \$	- \$	2,587,500 \$
	FTE	0.000	0.000	0.000
37 Department of Information Technology Billing Structural Shortfall				
Closes an existing structural budget shortfall for services and subscriptions that the Department of Information Technology provides to DPI. DPI's budget for this purpose has not kept pace with increasing service requirements.	Req \$	- \$	- \$	1,140,000 \$
	Rec \$	- \$	- \$	- \$
	App \$	- \$	- \$	1,140,000 \$
	FTE	0.000	0.000	0.000
38 Technology Infrastructure for Business Continuity				
Ensures business continuity by funding subscription cost increases for Google Enterprise Workspace, implementation of Microsoft Teams (MS Teams) for agency phones, and Microsoft 365 (M365) backup. Providing Google Workspace licenses for DPI employees promotes seamless communication and sharing between PSUs and DPI. MS Teams and M365 investments streamline DPI systems while securing and backing up critical data.	Req \$	- \$	- \$	520,000 \$
	Rec \$	- \$	- \$	- \$
	App \$	- \$	- \$	520,000 \$
	FTE	0.000	0.000	0.000
39 School Business Systems Modernization				
Supports 92 school districts migrating to cloud-based Enterprise Resource Planning systems, which integrate finance and HR platforms. Vendors will stop supporting many of the existing systems and sunset others altogether in the next several years. DPI shall report to OSBM and the Fiscal Research Division by October 15, 2026, on the status and expected completion date for each PSU. This item is funded through the IT Reserve. Funds for this project will be allocated to the department over the life of the project, and any funds not obligated by June 30, 2031, shall revert to the Reserve.	Req \$	- \$	- \$	- \$
	Rec \$	- \$	- \$	- \$
	App \$	- \$	- \$	- \$
	FTE	0.000	0.000	0.000
40 Textbook Commission Sunset				
Eliminates funding to coincide with sunseting the Textbook Commission. A special provision provides additional details on this item.	Req \$	- \$	- \$	(775,097) \$
	Rec \$	- \$	- \$	- \$
	App \$	- \$	- \$	(775,097) \$
	FTE	0.000	0.000	(1.390)
41 Virtual Charter School Transportation Funding Elimination				
Ensures state funds go where they are needed by eliminating transportation funding to virtual charter schools and remote charter academies for students who attend exclusively online. A special provision provides additional details on this item.	Req \$	- \$	- \$	(5,000,000) \$
	Rec \$	- \$	- \$	- \$
	App \$	- \$	- \$	(5,000,000) \$
	FTE	0.000	0.000	0.000
Total Change to Requirements	\$	449,159,000	\$	54,760,970
Total Change to Receipts	\$	-	\$	-
Total Change to Net Appropriations	\$	449,159,000	\$	54,760,970
Total Change to Full-Time Equivalent (FTE)		0.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		\$	503,919,970
Total Change to Full-Time Equivalent (FTE)				0.000
				1,657,556,120
				28.810

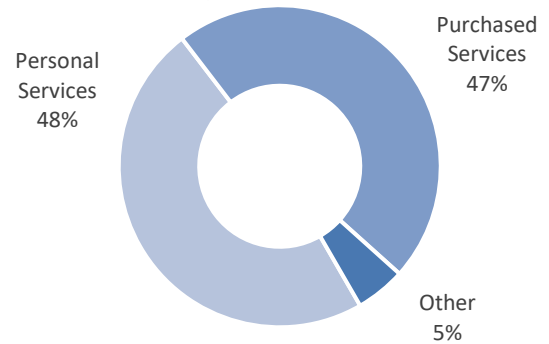
Mission

To offer specialized educational opportunities, community outreach, and an immersive environment for North Carolina students with visual impairments and additional disabilities. Through unique and expert instruction, Governor Morehead School (GMS) will create a dynamic and inclusive environment for students to reach their highest potential in developing knowledge, skills, confidence, and values that will support them as independent, life-long learners to contribute to our global society.

Goals

1. Enhance instructional/curriculum practices to optimize student outcomes.
2. Increase parent/family communication and engagement.
3. Enhance student life programming.
4. Increase organizational effectiveness and efficiency.
5. Support local school districts through the GMS Outreach Program to provide services, short-course weekends, parental support, and professional learning opportunities.

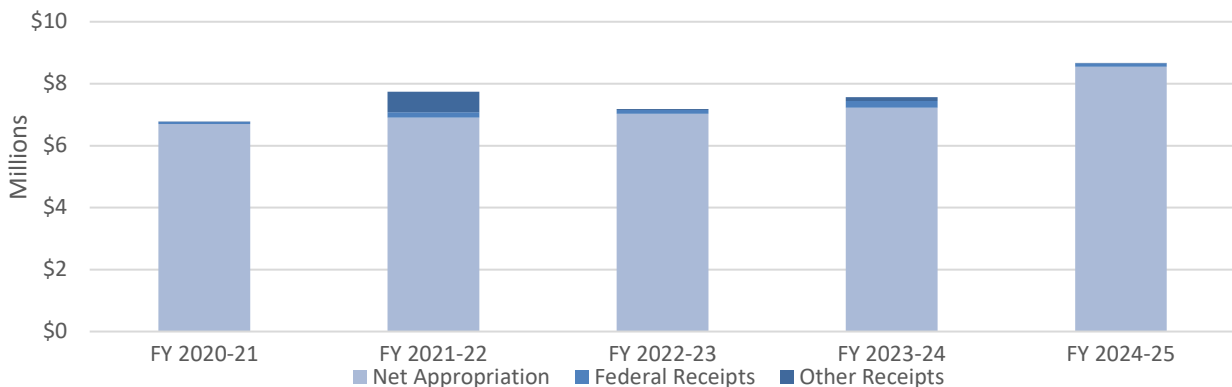
FY 2024-25 Actual Expenditures



Agency Profile

- Provides NC standards-based instruction alongside the Expanded Core Curriculum (ECC), which supplements the general curriculum with real-life situations faced by individuals with Blindness and Visual Impairments. GMS serves day students and residential students.
- Students earn a diploma or certificate at graduation. The diploma pathway focuses on college or vocational preparation; the certificate pathway emphasizes functional skills and community-based experiences.
- Teachers are certified to work with visually impaired students. Students access current materials, texts, and technologies, as well as meaningful community experiences to connect them to the wider world.

5-Year Historical Expenditures



**Starting FY 2025-26, GMS has its own budget code. Previously, it was budgeted within the Department of Public Instruction. Historical Expenditures chart includes General Fund and Internal Service Fund budget codes. Actual Expenditures chart only includes General Fund budget code.*

Governor Morehead School General Fund (13520)

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 10,443,976	\$ 260,000	\$ 35,356	\$ 295,356	\$ 10,739,332	2.8%
Receipts	\$ 82,764	\$ -	\$ -	\$ -	\$ 82,764	0.0%
Net Appropriation	\$ 10,361,212	\$ 260,000	\$ 35,356	\$ 295,356	\$ 10,656,568	2.8%
Positions (FTE)	95.163	-	-	-	95.163	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 10,443,976	\$ 958,173	\$ 181,356	\$ 1,139,529	\$ 11,583,505	10.9%
Receipts	\$ 82,764	\$ -	\$ -	\$ -	\$ 82,764	0.0%
Net Appropriation	\$ 10,361,212	\$ 958,173	\$ 181,356	\$ 1,139,529	\$ 11,500,741	11.0%
Positions (FTE)	95.163	-	-	-	95.163	0.0%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Increases all state-funded employee salaries by 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	260,000	\$ -	\$ 499,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	260,000	\$ -	\$ 499,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ -	\$ -	\$ 146,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ -	\$ 146,000
FTE	0.000	0.000	0.000	0.000

3 State Health Plan Contributions

Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.

Req \$	-	\$ -	\$ 59,173	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 59,173	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Supplement

Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.

Req \$	-	\$ 35,356	\$ -	\$ 35,356
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 35,356	\$ -	\$ 35,356
FTE	0.000	0.000	0.000	0.000

Technical Adjustments

5 Transportation Funds – Recurring Transfer

Budgets transportation funds that have historically been transferred from DPI to the Governor Morehead School (GMS). GMS became an independent state agency as of July 1, 2025, and this item permanently realigns those transportation funds. A corresponding item in DPI's section of the budget shows the offsetting decrease.

Req \$	-	\$ -	\$ 400,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 400,000	\$ -
FTE	0.000	0.000	0.000	0.000

Academic and Operational Support

6 Network Upgrade

Provides funds for the purchase and installation of new access points and network switches with licenses to improve the school's internet network. These improvements will decrease system downtimes and provide a stable and reliable network for students and staff. This item is funded from the IT Reserve.

Req \$	-	\$ -	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

	R Changes		NR Changes		R Changes		NR Changes	
Total Change to Requirements	\$	260,000	\$	35,356	\$	958,173	\$	181,356
Total Change to Receipts	\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations	\$	260,000	\$	35,356	\$	958,173	\$	181,356
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		0.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			295,356	\$			1,139,529
Total Change to Full-Time Equivalent (FTE)				0.000				0.000

Mission

To provide an accessible, inclusive, and safe environment that supports and inspires every student to engage in cultivating and fulfilling their own academic and personal ambitions to achieve excellence.

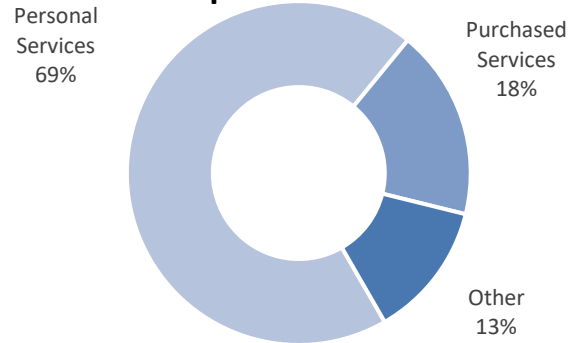
Goals

1. Strengthen curriculum and instructional practices.
2. Attract and retain skilled and effective teachers, leaders, and support staff.
3. Increase awareness and engagement with parents and the community.
4. Establish organizational quality assurance measures.

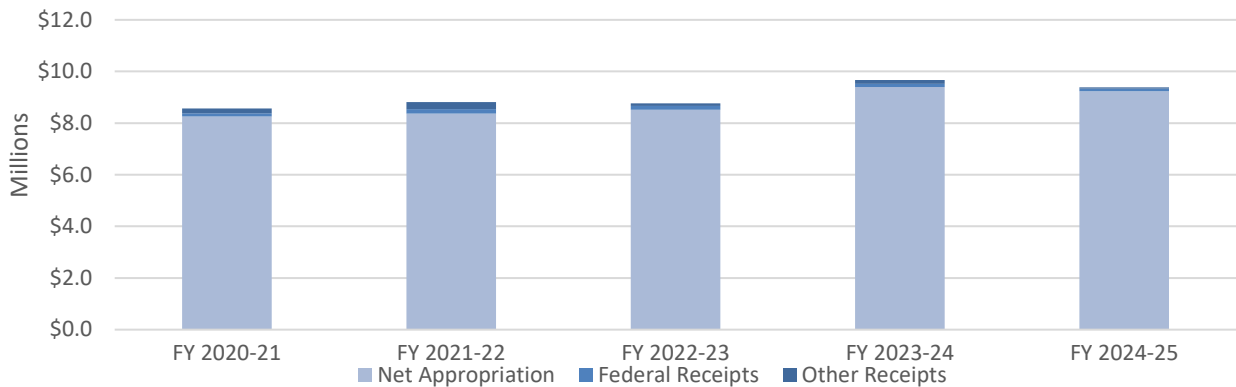
Agency Profile

- Provides a comprehensive K-12 educational experience tailored to meet the unique needs of students who are Deaf or Hard of Hearing.
- Designs curriculum to foster academic success, cultural identity, and preparation for post-secondary opportunities.
- Commits to quality: everyone has the right to develop to their maximum potential.

FY 2024-25 Actual Expenditures



5-Year Historical Expenditures



Historical Expenditures chart includes General Fund and Internal Service Fund budget codes. Actual Expenditures chart only includes General Fund budget code.

**Starting FY 2025-26, ENCSD has its own budget code. Previously, it was budgeted within the Department of Public Instruction.*

Eastern NC School for the Deaf General Fund (13540)

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 10,578,719	\$ 284,000	\$ 40,650	\$ 324,650	\$ 10,903,369	3.1%
Receipts	\$ 162,773	\$ -	\$ -	\$ -	\$ 162,773	0.0%
Net Appropriation	\$ 10,415,946	\$ 284,000	\$ 40,650	\$ 324,650	\$ 10,740,596	3.1%
Positions (FTE)	108.229	-	-	-	108.229	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 10,581,584	\$ 909,913	\$ 205,650	\$ 1,115,563	\$ 11,697,147	10.5%
Receipts	\$ 162,773	\$ -	\$ -	\$ -	\$ 162,773	0.0%
Net Appropriation	\$ 10,418,811	\$ 909,913	\$ 205,650	\$ 1,115,563	\$ 11,534,374	10.7%
Positions (FTE)	108.229	-	-	-	108.229	0.0%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Increases all state-funded employee salaries by 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	284,000	\$ -	\$ 549,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	284,000	\$ -	\$ 549,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ -	\$ -	\$ 165,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ -	\$ 165,000
FTE	0.000	0.000	0.000	0.000

3 State Health Plan Contributions

Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.

Req \$	-	\$ -	\$ 67,640	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 67,640	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Supplement

Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.

Req \$	-	\$ 40,650	\$ -	\$ 40,650
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 40,650	\$ -	\$ 40,650
FTE	0.000	0.000	0.000	0.000

Technical Adjustments

5 Transportation Funds – Recurring Transfer

Budgets transportation funds that have historically been transferred from DPI to the Eastern NC School for the Deaf (ENCSD). ENCSD became an independent state agency as of July 1, 2025, and this item permanently realigns those transportation funds. A corresponding item in DPI's section of the budget shows the offsetting decrease.

Req \$	-	\$ -	\$ 200,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 200,000	\$ -
FTE	0.000	0.000	0.000	0.000

Academic and Operational Support

6 Educator Supplement, Overtime, and Shift-Premium Pay

Supports higher supplemental pay for teachers and funds actual requirements for shift-premium pay and overtime pay. ENCSD currently provides an 8% salary supplement for educators paid on the state salary schedule, which is less than the supplement in Wilson and neighboring counties. The funds will enable ENCSD to recruit and retain qualified, dedicated teachers.

Req \$	-	\$ -	\$ 86,373	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 86,373	\$ -
FTE	0.000	0.000	0.000	0.000

R Changes NR Changes R Changes NR Changes

Academic and Operational Support

7 ADA Campus-Wide Emergency Visual Alert System

Funds the purchase, installation, and ongoing maintenance of an emergency visual message alert system to support deaf and hard of hearing staff and students across the campus' eight buildings. The system will provide emergent, time-sensitive notifications through digital message boards and visual signaling or notification devices placed in key locations. The nonrecurring portion of this item will be funded through the IT Reserve.

Req \$	-	\$	-	\$	6,900	\$	-
Rec \$	-	\$	-	\$	-	\$	-
App \$	-	\$	-	\$	6,900	\$	-
FTE	0.000		0.000		0.000		0.000

Total Change to Requirements	\$	284,000	\$	40,650	\$	909,913	\$	205,650
Total Change to Receipts	\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriations	\$	284,000	\$	40,650	\$	909,913	\$	205,650
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		0.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$			324,650	\$			1,115,563
Total Change to Full-Time Equivalent (FTE)				0.000				0.000

Mission

To provide student-centered, standards-based instruction to deaf and hard-of-hearing students in a multicultural and multilingual environment. Our students are enabled and empowered to be lifelong learners and productive, contributing citizens to humanity.

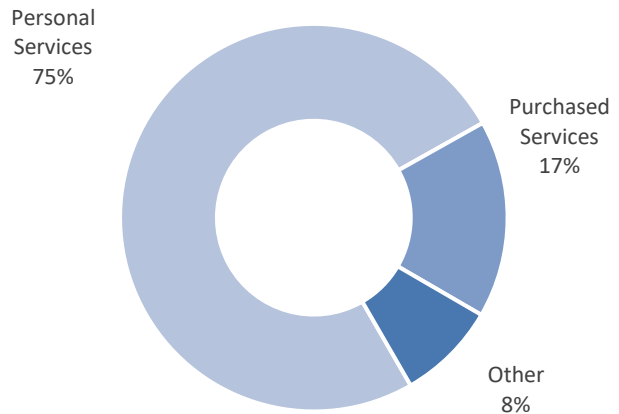
Goals

Create an accessible, positive learning environment in which students will achieve proficiency in American Sign Language and English as well as achieve individual academic potential and become leaders in their communities.

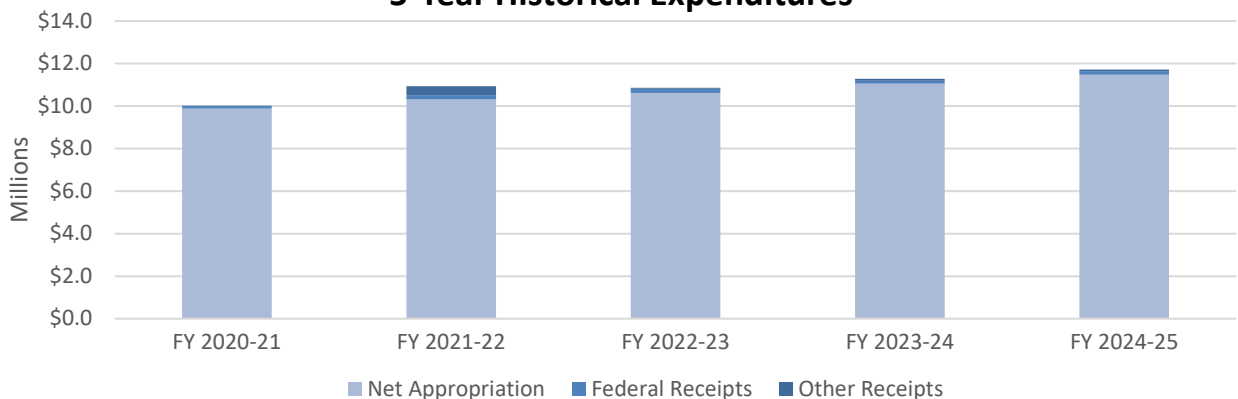
Agency Profile

- Treat each student with respect, dignity, and encouragement to support their unique pace and style of learning, growth, and development.
- Provide students with a safe, orderly, and nurturing environment that includes high expectations, instructional and functional supports, and state-approved curricula.
- Use data-driven, research-based practices from the fields of Special Education, Deaf Education and General Education in a continuous improvement process.
- Empower and support staff to participate in continual professional development and education for optimal provision of services.
- Provide opportunities for shared responsibility and engagement by all stakeholders in the NCSD community to deliver a range of services to meet the needs of students across all disciplines.

FY 2024-25 Actual Expenditures



5-Year Historical Expenditures



Historical Expenditures chart includes General Fund and Internal Service Fund budget codes. Actual Expenditures chart only includes General Fund budget code.

**Starting FY 2025-26, NCSD has its own budget code. Previously, it was budgeted within the Department of Public Instruction.*

NC School for the Deaf General Fund (13530)

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 11,940,864	\$ 372,000	\$ 45,049	\$ 417,049	\$ 12,357,913	3.5 %
Receipts	\$ 188,864	\$ -	\$ -	\$ -	\$ 188,864	0.0 %
Net Appropriation	\$ 11,752,000	\$ 372,000	\$ 45,049	\$ 417,049	\$ 12,169,049	3.6 %
Positions (FTE)	124.831	-	-	-	124.831	0.0 %

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 11,943,656	\$ 1,101,020	\$ 230,049	\$ 1,331,069	\$ 13,274,725	11.1 %
Receipts	\$ 188,864	\$ -	\$ -	\$ -	\$ 188,864	0.0 %
Net Appropriation	\$ 11,754,792	\$ 1,101,020	\$ 230,049	\$ 1,331,069	\$ 13,085,861	11.3 %
Positions (FTE)	124.831	-	-	-	124.831	0.0 %

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Increases all state-funded employee salaries by 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	372,000	\$ -	\$ 726,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	372,000	\$ -	\$ 726,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ -	\$ -	\$ 185,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ -	\$ 185,000
FTE	0.000	0.000	0.000	0.000

3 State Health Plan Contributions

Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.

Req \$	-	\$ -	\$ 75,020	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 75,020	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Supplement

Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.

Req \$	-	\$ 45,049	\$ -	\$ 45,049
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 45,049	\$ -	\$ 45,049
FTE	0.000	0.000	0.000	0.000

Technical Adjustments

5 Transportation Funds – Recurring Transfer

Budgets transportation funds that have historically been transferred from DPI to the NC School for the Deaf (NCSd). NCSd became an independent state agency as of July 1, 2025, and this item permanently realigns those transportation funds. A corresponding item in DPI's section of the budget shows the offsetting decrease.

Req \$	-	\$ -	\$ 300,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 300,000	\$ -
FTE	0.000	0.000	0.000	0.000

Total Change to Requirements	\$ 372,000	\$ 45,049	\$ 1,101,020	\$ 230,049
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriations	\$ 372,000	\$ 45,049	\$ 1,101,020	\$ 230,049
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ -	\$ 417,049	\$ -	\$ 1,331,069
Total Change to Full-Time Equivalent (FTE)	-	0.000	-	0.000

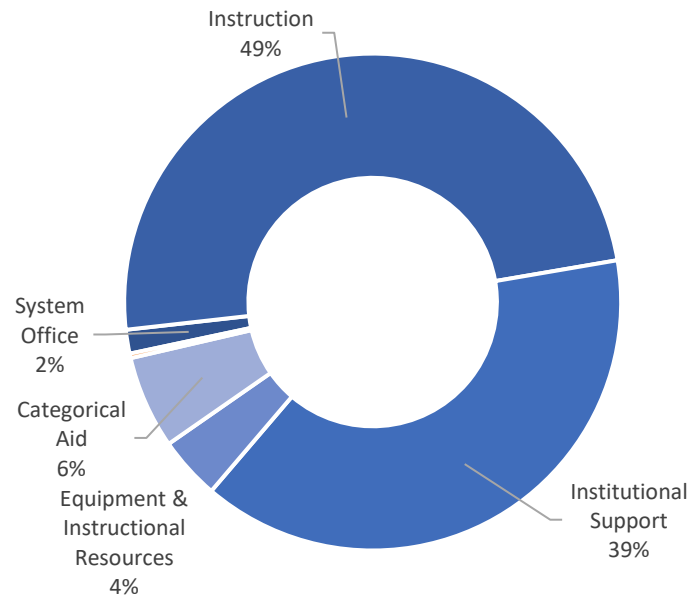
Mission

To open the door to high-quality, accessible educational opportunities that minimize barriers to post-secondary education; maximize student success; develop a globally and multi-culturally competent workforce; and improve the lives and well-being of individuals by providing education, training and retraining for the workforce, support for economic development, and services to communities and individuals.

Goals

1. Recruit and retain top talent to enable the North Carolina Community College System (NCCCS) to educate and prepare the state’s workforce.
2. Increase access and enrollment at North Carolina community colleges to meet the state’s educational attainment goal and expand postsecondary opportunities.
3. Provide resources inside and outside the classroom for all students to successfully enroll, persist, and complete a career program of study.
4. Provide education, training, and credentials to develop the most competitive workforce in the nation.
5. Increase state funding, streamline the allocation formula, and implement practices to improve system effectiveness.

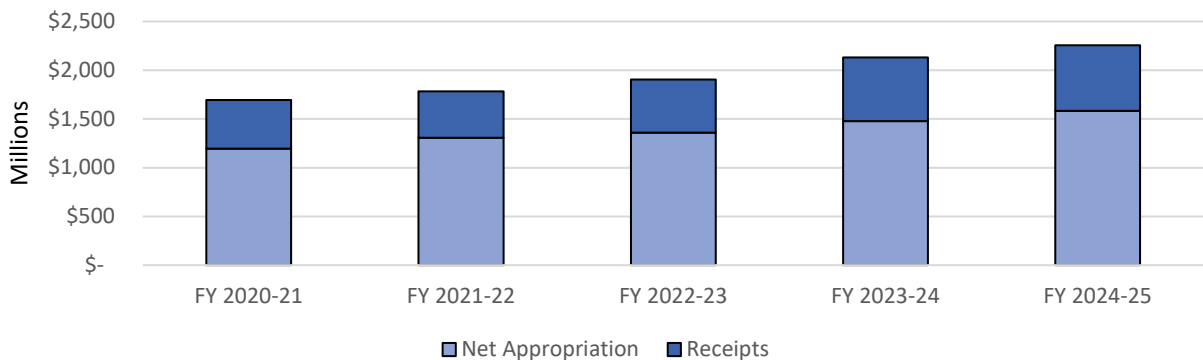
FY 2024-25 Actual Expenditures



Agency Profile

- In 2024-25, NCCCS served more than 631,000 students, enrolled in academic, workforce continuing education, and literacy courses, at 58 colleges across the state.
- In 2024-25, more than 62,000 certificates, diplomas, associate degrees, and other credentials were awarded.
- Supports economic development and job creation in every county in the state through the NCEdge Customized Training Program, Small Business Center Network, and ApprenticeshipNC.

5-Year Historical Expenditures



Charts include General Fund budget code only.

NC Community College System - General Fund (16800)

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 2,080,492,603	\$ 40,779,000	\$ 8,797,624	\$ 49,576,624	\$ 2,130,069,227	2.4%
Receipts	\$ 399,892,595	\$ -	\$ -	\$ -	\$ 399,892,595	0.0%
Net Appropriation	\$ 1,680,600,008	\$ 40,779,000	\$ 8,797,624	\$ 49,576,624	\$ 1,730,176,632	3.0%
Positions (FTE)	239.000	-	-	-	239.000	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 2,070,492,603	\$ 256,885,347	\$ 39,436,624	\$ 296,321,971	\$ 2,366,814,574	14.3%
Receipts	\$ 399,892,595	\$ 86,866,922	\$ -	\$ 86,866,922	\$ 486,759,517	21.7%
Net Appropriation	\$ 1,670,600,008	\$ 170,018,425	\$ 39,436,624	\$ 209,455,049	\$ 1,880,055,057	12.5%
Positions (FTE)	239.000	18.000	-	18.000	257.000	7.5%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve - System Office

Increases all state-funded employee salaries by 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	604,000	\$ -	\$ 1,208,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	604,000	\$ -	\$ 1,208,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 Compensation Increase Reserve - Community Colleges

Increases all state-funded employee salaries by 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	40,175,000	\$ -	\$ 80,350,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	40,175,000	\$ -	\$ 80,350,000	\$ -
FTE	0.000	0.000	0.000	0.000

3 State Employee Bonus - System Office

Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ -	\$ -	\$ 304,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ -	\$ 304,000
FTE	0.000	0.000	0.000	0.000

4 State Employee Bonus - Community Colleges

Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ -	\$ -	\$ 30,335,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ -	\$ 30,335,000
FTE	0.000	0.000	0.000	0.000

5 State Health Plan Contributions - System Office

Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.

Req \$	-	\$ -	\$ 144,043	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 144,043	\$ -
FTE	0.000	0.000	0.000	0.000

6 State Health Plan Contributions - Community Colleges

Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.

Req \$	-	\$ -	\$ 12,144,657	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 12,144,657	\$ -
FTE	0.000	0.000	0.000	0.000

7 Retiree Supplement - System Office

Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.

Req \$	-	\$ 130,337	\$ -	\$ 130,337
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 130,337	\$ -	\$ 130,337
FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
Reserve for Salaries and Benefits					
8 Retiree Supplement - Community Colleges					
Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.	Req \$	-	\$ 8,667,287	\$ -	\$ 8,667,287
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 8,667,287	\$ -	\$ 8,667,287
	FTE	0.000	0.000	0.000	0.000
9 Compensation Adjustment - System Office					
Provides a market-aligned salary adjustment for the North Carolina Community College System president. The funding ensures compensation remains competitive with comparable institutions and supports the recruitment and retention of high-quality system leadership.	Req \$	-	\$ -	\$ 150,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ 150,000	\$ -
	FTE	0.000	0.000	0.000	0.000
Student Investment					
10 Enrollment Growth Adjustment					
Adjusts funds for FY 2026-27 based on the preliminary change in community college enrollment. Community college total enrollment increased by 6.5%, or 16,422 full-time equivalent students, from the budgeted amount in FY 2025-26. This adjustment includes estimated receipts from tuition and registration fees.	Req \$	-	\$ -	\$ 102,176,661	\$ -
	Rec \$	-	\$ -	\$ 26,154,936	\$ -
	App \$	-	\$ -	\$ 76,021,725	\$ -
	FTE	0.000	0.000	0.000	0.000
11 Propel NC					
Budgets receipts from the Strategic WorkForce Training fund to support the implementation of a new labor-market driven funding model, Propel NC. This investment will help community colleges shift curriculum and continuing education courses within the same workforce sectors to align with the state's high-demand, high-wage jobs. This new funding model will help streamline degree attainment and prepare a well-trained workforce to meet the demands of the state's growing economy.	Req \$	-	\$ -	\$ 34,291,805	\$ -
	Rec \$	-	\$ -	\$ 34,291,805	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
12 Enrollment Increase Reserve					
Budgets receipts from the Strategic WorkForce Training fund to establish an enrollment increase reserve. This reserve will provide funding for individual colleges experiencing an enrollment increase greater than budgeted enrollment levels. In FY 2025-26, 47 colleges experienced enrollment increases.	Req \$	-	\$ -	\$ 6,000,000	\$ -
	Rec \$	-	\$ -	\$ 6,000,000	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
13 ApprenticeshipNC					
Budgets receipts from the Strategic WorkForce Training fund. These recurring funds will sustain and expand the state's apprenticeship program. Funding will strengthen the development, registration, and support of apprenticeships that connect North Carolinians to high-demand jobs. In FY 2024-25, ApprenticeshipNC exceeded 10,000 active registered apprenticeships and served more than 3,000 employers and 16,000 apprentices.	Req \$	-	\$ -	\$ 3,174,516	\$ -
	Rec \$	-	\$ -	\$ 3,174,516	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	18.000	0.000
14 Free Community College Tuition for High Demand Skills Training					
Budgets receipts from the Strategic WorkForce Training fund to help cover the cost of attendance, including registration and local fees, for resident students enrolled in non-degree, short-term workforce training programs. Eligible programs are those that lead to a high-demand state and industry-recognized workforce credential. These grants will provide up to \$750 per credential in financial assistance. This investment will close a critical student funding gap, strengthen North Carolina's talent pipeline, and expand access to the state's high-demand career pathways.	Req \$	-	\$ -	\$ 17,245,665	\$ -
	Rec \$	-	\$ -	\$ 17,245,665	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

	R Changes	NR Changes	R Changes	NR Changes
Student Investment				
Total Change to Requirements	\$ 40,779,000	\$ 8,797,624	\$ 256,885,347	\$ 39,436,624
Total Change to Receipts	\$ -	\$ -	\$ 86,866,922	\$ -
Total Change to Net Appropriations	\$ 40,779,000	\$ 8,797,624	\$ 170,018,425	\$ 39,436,624
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	18.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	49,576,624	\$	209,455,049
Total Change to Full-Time Equivalent (FTE)		0.000		18.000

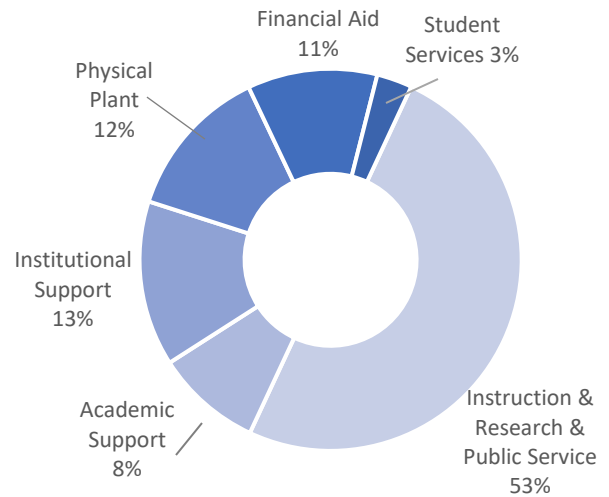
Mission

To discover, create, transmit, and apply knowledge to address the needs of individuals and society. This is accomplished through instruction, which communicates knowledge and values and imparts the skills necessary for individuals to lead responsible, productive, and personally satisfying lives; through research, scholarship, and creative activities, which advance knowledge and enhance the educational process; and through public service, which contributes to the solution of societal problems and enriches the quality of life in the state.

Goals

1. Increase access to higher education for underserved populations.
2. Increase undergraduate student success.
3. Make progress on equity gaps by race/ethnicity and income.
4. Increase graduate student success.
5. Improve student mental health.
6. Increase affordability.
7. Improve University productivity.
8. Increase the System’s contribution to the state’s critical workforces.
9. Increase research productivity.
10. Increase military partnerships.
11. Improve the employee experience.
12. Improve faculty and staff retention.

FY 2024-25 Actual Expenditures



Agency Profile

- Served 256,530 students enrolled in the 17 System institutions across the state in the fall of 2025.
- In 2023, brought in more than \$2.2 billion in research grants and sponsored programs scholarship across the UNC System.

5-Year Historical Expenditures

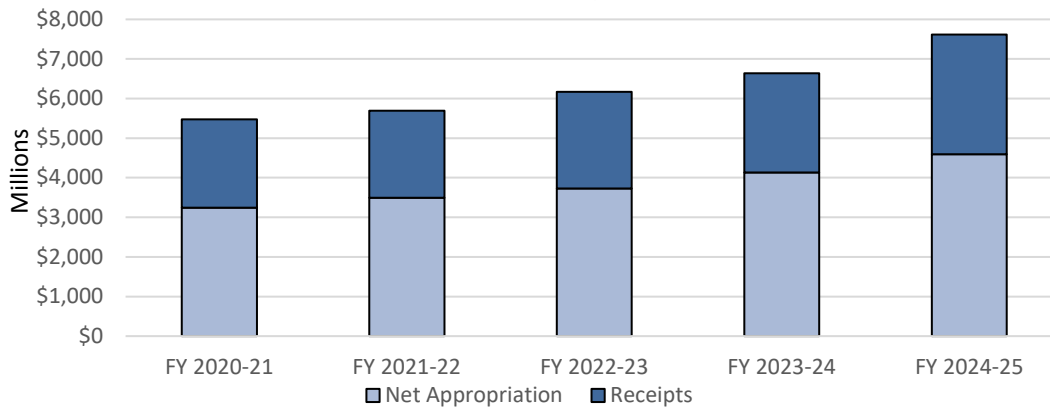


Chart includes General Fund budget codes only.

UNC Board of Governors - Institutional Programs (16011)

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 152,151,998	\$ 150,203,626	\$ 14,144,760	\$ 164,348,386	\$ 316,500,384	108.0%
Receipts	\$ 4,500,000	\$ -	\$ -	\$ -	\$ 4,500,000	0.0%
Net Appropriation	\$ 147,651,998	\$ 150,203,626	\$ 14,144,760	\$ 164,348,386	\$ 312,000,384	111.3%
Positions (FTE)	-	-	-	-	-	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 150,635,334	\$ 408,403,249	\$ 65,653,361	\$ 474,056,610	\$ 624,691,944	314.7%
Receipts	\$ 3,500,000	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 4,500,000	28.6%
Net Appropriation	\$ 147,135,334	\$ 407,403,249	\$ 65,653,361	\$ 473,056,610	\$ 620,191,944	321.5%
Positions (FTE)	-	-	-	-	-	0.0%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve

Increases all state-funded employee salaries by 2.5% in each fiscal year to help address inflationary pressures. State employees have not gotten a raise since July 1, 2024.

Req \$	99,124,000	\$ -	\$ 198,248,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	99,124,000	\$ -	\$ 198,248,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 State Employee Bonus

Provides a \$1,000 bonus for all state employees and local education employees regardless of funding source, and an additional \$500 bonus to employees with an annual salary of less than \$75,000. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ -	\$ -	\$ 49,995,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ -	\$ 49,995,000
FTE	0.000	0.000	0.000	0.000

3 State Health Plan Contributions

Provides funding for a 5% increase in employer premiums for enrolled active employees that the General Fund supports in FY 2026-27, for a total employer contribution of \$8,925 per employee. This proposal also provides funding for the State's General Fund contribution to medical rate increases for members of the State's retirement systems.

Req \$	-	\$ -	\$ 26,574,723	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 26,574,723	\$ -
FTE	0.000	0.000	0.000	0.000

4 Retiree Supplement

Provides a 2.5% one-time retiree supplement in each fiscal year for more than 258,000 retired members and survivors of deceased members.

Req \$	-	\$ 14,144,760	\$ -	\$ 14,144,760
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 14,144,760	\$ -	\$ 14,144,760
FTE	0.000	0.000	0.000	0.000

5 Law Enforcement Officer Salary Increase

Provides funding for a 10% compensation increase in the first year of the biennium and a 5% increase in the second year of the biennium for all state law enforcement officers, for a total increase of 15%. Strengthening compensation will help agencies compete for qualified applicants, reduce turnover, and ensure safe, effective staffing levels across our communities. With no raise since July 1, 2024, state law enforcement salaries now rank among the lowest nationally, highlighting the need to restore competitiveness.

Req \$	4,679,626	\$ -	\$ 7,019,439	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	4,679,626	\$ -	\$ 7,019,439	\$ -
FTE	0.000	0.000	0.000	0.000

Systemwide

6 UNC System Enrollment Growth Adjustment

Provides funds to the UNC Board of Governors to reflect the change in enrollment at the constituent institutions of the University of North Carolina. This funding reflects the 3.7% increase in total student credit hours across the UNC System in the 2025 calendar year. Over the last two years, 92% of the enrollment funding change has occurred in business discipline and STEM fields including Engineering, Biology, and Nursing.

Req \$	46,400,000	\$ -	\$ 153,495,386	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	46,400,000	\$ -	\$ 153,495,386	\$ -
FTE	0.000	0.000	0.000	0.000

	R Changes	NR Changes	R Changes	NR Changes
Systemwide				
7 NC Promise Increase				
Provides funding to support enrollment through the NC Promise Tuition Program at Elizabeth City State University, UNC-Pembroke, Western Carolina University, and Fayetteville State University. The NC Tuition Promise Tuition Plan reduces the cost to attend these universities to \$500 a semester for in-state students, and \$3,500 for nonresident students entering in 2026. This funding increase is necessary for the appropriation to keep pace with enrollment growth and to ensure the program is fully funded at these four institutions.	Req \$	- \$	- \$	4,950,000 \$
	Rec \$	- \$	- \$	- \$
	App \$	- \$	- \$	4,950,000 \$
	FTE	0.000	0.000	0.000
8 UNC Building Reserves				
Provides maintenance and operational funding for new or expanded facilities opening in FY 2026-27, including facilities at Appalachian State University, Elizabeth City State University, Fayetteville State University, North Carolina State University, North Carolina School of Science and Math, and University of North Carolina at Chapel Hill.	Req \$	- \$	- \$	9,450,701 \$
	Rec \$	- \$	- \$	- \$
	App \$	- \$	- \$	9,450,701 \$
	FTE	0.000	0.000	0.000
Student Affordability and Success				
9 HBCU Student Success Initiatives				
Provides additional funding to be utilized for academic advising, mentoring, supplemental instruction, cohort-based student support, and other student success strategies at Historically Black Colleges and Universities (HBCUs) in the UNC System. Each HBCU will receive approximately \$100 per undergraduate FTE.	Req \$	- \$	- \$	3,165,000 \$
	Rec \$	- \$	- \$	- \$
	App \$	- \$	- \$	3,165,000 \$
	FTE	0.000	0.000	0.000
10 Cheatham-White Scholarship Increase				
Expands funding for the merit-based scholarship program that covers tuition, student fees, housing, meals, textbooks, and supplies for awarded students. The funding would expand the number of scholarships available at North Carolina A&T University and North Carolina Central University, as well as extend the program to Winston-Salem State University.	Req \$	- \$	- \$	2,000,000 \$
	Rec \$	- \$	- \$	- \$
	App \$	- \$	- \$	2,000,000 \$
	FTE	0.000	0.000	0.000
11 Completion Assistance Grants				
Invests funds to increase graduation rates at Elizabeth City State University, Fayetteville State University, North Carolina Central University, UNC Pembroke University, and Winston-Salem State University. This investment will provide aid to students who are on track to graduate but are in danger of dropping out due to financial shortfalls.	Req \$	- \$	- \$	2,500,000 \$
	Rec \$	- \$	- \$	- \$
	App \$	- \$	- \$	2,500,000 \$
	FTE	0.000	0.000	0.000
12 NC Area Health Education Centers Nursing Workforce Expansion				
Budgets receipts from the Strategic WorkForce Training fund. These funds to the North Carolina Area Health Education Center (AHEC) will expand clinical instructor partnerships, clinical site development, and educational mobility programs. North Carolina is currently projected to train only 61% of the Registered Nurses and 58% of the Licensed Practical Nurses necessary to meet nursing demand in the state. These programs expand the high-demand nursing workforce by creating new clinical training sites, increasing the nursing faculty workforce, providing continued professional development, and developing new pathways into nursing. These programs will help address North Carolina's significant nursing shortage, with an estimated 17,500 additional nursing professionals needed to meet the demands of our growing population by 2033.	Req \$	- \$	- \$	1,000,000 \$
	Rec \$	- \$	- \$	1,000,000 \$
	App \$	- \$	- \$	- \$
	FTE	0.000	0.000	0.000
Total Change to Requirements	\$	150,203,626	\$	14,144,760
Total Change to Receipts	\$	-	\$	-
Total Change to Net Appropriations	\$	150,203,626	\$	14,144,760
Total Change to Full-Time Equivalent (FTE)		0.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		\$	164,348,386
Total Change to Full-Time Equivalent (FTE)				0.000

UNC Board of Governors - Related Educational Programs (16012)

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 1,059,214,078	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,060,214,078	0.1%
Receipts	\$ 196,935,487	\$ -	\$ -	\$ -	\$ 196,935,487	0.0%
Net Appropriation	\$ 862,278,591	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 863,278,591	0.1%
Positions (FTE)	-	-	-	-	-	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 1,110,214,078	\$ (440,500,000)	\$ (587,500,000)	\$ (1,028,000,000)	\$ 82,214,078	(92.6)%
Receipts	\$ 196,935,487	\$ -	\$ -	\$ -	\$ 196,935,487	0.0%
Net Appropriation	\$ 913,278,591	\$ (440,500,000)	\$ (587,500,000)	\$ (1,028,000,000)	\$ (114,721,409)	(112.6)%
Positions (FTE)	-	-	-	-	-	0.0%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

North Carolina Independent Colleges and Universities

1 NC Need-Based Scholarship for Private Colleges and Universities Increase

Increases scholarship funds for North Carolina residents attending North Carolina Independent Colleges and Universities (NCICU) member institutions. More than 14,500 of the 27,000 students attending NCICU institutions receive the Need-Based scholarship.

Req \$	-	\$ -	\$ 7,000,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ 7,000,000	\$ -
FTE	0.000	0.000	0.000	0.000

Student Affordability and Success

2 Scholarship for Children of Wartime Veterans

Provides an increase to the Scholarship for Children of Wartime Veterans, allowing the Department of Military and Veterans Affairs and the State Educational Assistance Authority to cover the shortfall in recurring funding and issue new awards to meet increased demand in FY 2026-27.

Req \$	-	\$ 1,000,000	\$ 7,000,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 1,000,000	\$ 7,000,000	\$ -
FTE	0.000	0.000	0.000	0.000

Related Programs

3 Opportunity Scholarship Moratorium

Reduces funding to reflect an Opportunity Scholarship Program moratorium that offers no new awards, adds program accountability, and gradually decreases future appropriations. Low-income families that received vouchers in the 2025-26 school year may renew their awards, but families making more than 150% of the eligibility level for reduced-price school lunch are no longer eligible. This returns income limits to 2021 levels and ensures that public funds are targeted to students in need and otherwise support public school students and teachers.

Req \$	-	\$ -	\$ (454,500,000)	\$ (587,500,000)
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ -	\$ (454,500,000)	\$ (587,500,000)
FTE	0.000	0.000	0.000	0.000

Total Change to Requirements	\$ -	\$ 1,000,000	\$ (440,500,000)	\$ (587,500,000)
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriations	\$ -	\$ 1,000,000	\$ (440,500,000)	\$ (587,500,000)
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ -	\$ 1,000,000	\$ (1,028,000,000)	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000

UNC General Administration - Aid to Private Institutions (16015)

Year 1 FY 2025-26	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 1,209,300	\$ -	\$ -	\$ -	\$ 1,209,300	0.0%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 1,209,300	\$ -	\$ -	\$ -	\$ 1,209,300	0.0%
Positions (FTE)	-	-	-	-	-	0.0%

Year 2 FY 2026-27	Certified Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Certified Budget
Requirements	\$ 1,209,300	\$ -	\$ 10,000,000	\$ 10,000,000	\$ 11,209,300	826.9%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 1,209,300	\$ -	\$ 10,000,000	\$ 10,000,000	\$ 11,209,300	826.9%
Positions (FTE)	-	-	-	-	-	0.0%

	FY 2025-26		FY 2026-27	
	R Changes	NR Changes	R Changes	NR Changes

North Carolina Independent Colleges and Universities

1 Growing the Health Care Workforce

Provides funds to NCICU to increase the number of high demand health care professionals, including physician assistants, nurses, and physical therapists, trained at private colleges and universities across the state. According to the "Investing in North Carolina's Caregiving Workforce" Report in 2024, the state could short 12,500 of the number of registered nurses needed by 2033. NCICU institutions currently award 60% of medical degrees, including 90% of physician degrees, awarded by North Carolina institutions.

Req \$	-	\$ -	\$ -	\$ 10,000,000
Rec \$	-	\$ -	\$ -	-
App \$	-	\$ -	\$ -	\$ 10,000,000
FTE	0.000	0.000	0.000	0.000

Total Change to Requirements	\$ -	\$ -	\$ -	\$ 10,000,000
Total Change to Receipts	\$ -	\$ -	\$ -	-
Total Change to Net Appropriations	\$ -	\$ -	\$ -	\$ 10,000,000
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -	\$ 10,000,000
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000