

**Mission**

To use the State Board of Education’s constitutional authority to guard and maintain the right of a sound, basic education for every child in North Carolina Public Schools.

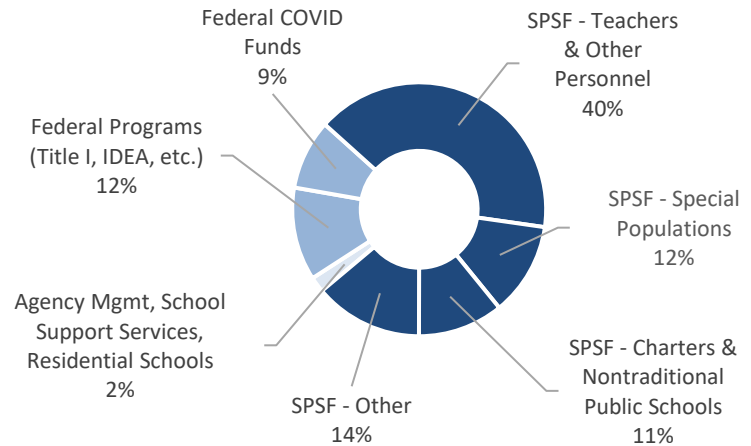
**Vision**

NC public schools will prepare all students to meet academic challenges, pursue opportunities after high school, and engage in our globally collaborative society as lifelong learners.

*The State Board of Education and Superintendent of Public Instruction are developing a strategic plan*

*guided by the Board’s vision and the six pillars of the Superintendent’s Achieving Educational Excellence.*

**FY 2023-24 Actual Expenditures**

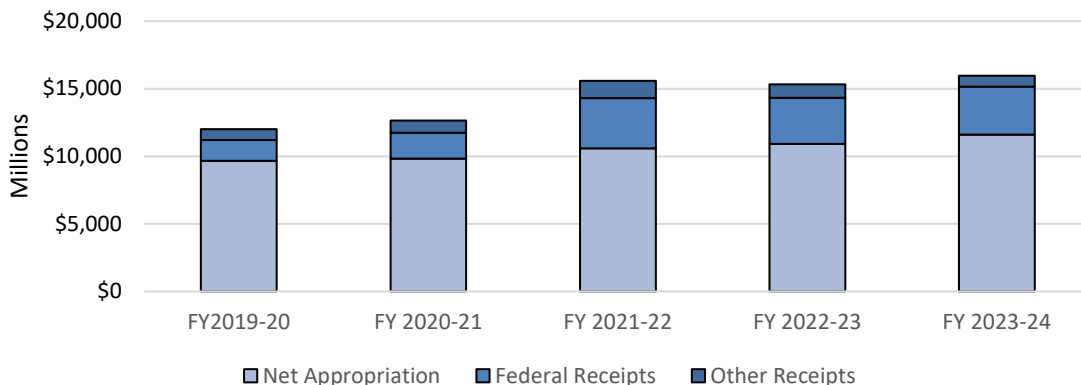


\*DPI Distributes money from the State Public School Fund (SPSF) to public school units for specific purposes.

**Agency Profile**

- Implements laws, policies, and procedures governing public education for K through 12th grade at the direction of the SBE and 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, the North Carolina Governor’s School, and three residential schools for students with hearing and visual impairments, serving about 1.5 million K-12 students across the state.
- Administers state and federal funds totaling nearly \$16 billion, and licenses and supports the development of the 128,000 teachers and administrators that serve public schools.

**5-Year Historical Expenditures**



*Charts include General Fund budget code only.*

**Public Instruction - General Fund (13510)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 14,371,756,376	\$ 1,041,894,076	\$ 152,724,470	\$ 1,194,618,546	\$ 15,566,374,922	8.3%
Receipts	\$ 2,440,462,977	\$ 165,050,000	\$ 20,300,000	\$ 185,350,000	\$ 2,625,812,977	7.6%
Net Appropriation	\$ 11,931,293,399	\$ 876,844,076	\$ 132,424,470	\$ 1,009,268,546	\$ 12,940,561,945	8.5%
Positions (FTE)	1,112.752	26.000	-	26.000	1,138.752	2.3%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 14,371,796,766	\$ 1,520,847,890	\$ 41,300,000	\$ 1,562,147,890	\$ 15,933,944,656	10.9%
Receipts	\$ 2,440,462,977	\$ 170,050,000	\$ 11,300,000	\$ 181,350,000	\$ 2,621,812,977	7.4%
Net Appropriation	\$ 11,931,333,789	\$ 1,350,797,890	\$ 30,000,000	\$ 1,380,797,890	\$ 13,312,131,679	11.6%
Positions (FTE)	1,112.752	40.000	-	40.000	1,152.752	3.6%

	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 a 10.6% average raise for all existing teachers by FY 2026-27. North Carolina starting and average teacher salaries currently rank 40th and 41st in the nation, respectively. This schedule raises pay 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 \$	365,506,000	\$ -	\$ 681,776,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	365,506,000	\$ -	\$ 681,776,000	\$ -
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 6% total increase for existing principals over the biennium. Corresponding special provisions show additional details on these compensation increases.

Req \$	18,021,000	\$ -	\$ 42,595,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	18,021,000	\$ -	\$ 42,595,000	\$ -
FTE	0.000	0.000	0.000	0.000

**3 Compensation Increase - Non-Certified and Central Office Staff**

Increases salaries for Non-Certified and Central Office staff at Local Educational Agencies by 3%.

Req \$	56,955,000	\$ -	\$ 56,955,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	56,955,000	\$ -	\$ 56,955,000	\$ -
FTE	0.000	0.000	0.000	0.000

**4 Compensation Increase - DPI**

Increases all state-funded employee salaries by 2%.

Req \$	1,451,000	\$ -	\$ 1,451,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	1,451,000	\$ -	\$ 1,451,000	\$ -
FTE	0.000	0.000	0.000	0.000

**5 Compensation Increase - State Agency Teachers**

Funds a salary increase for state agency teachers in accordance with the statewide teacher salary schedules.

Req \$	564,000	\$ -	\$ 938,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	564,000	\$ -	\$ 938,000	\$ -
FTE	0.000	0.000	0.000	0.000

**6 State Employee Bonus - Principals, Non-Certified and Central Office Staff**

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 52,308,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 52,308,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>Reserve for Salaries and Benefits</b>					
<b>7 State Employee Bonus - DPI</b>					
Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.	Req \$	-	\$ 1,086,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 1,086,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>8 Master's Pay</b>					
Attracts and retains teachers by restoring master's pay for over 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
<b>9 Labor Market Retention and Adjustment Reserve</b>					
Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.	Req \$	1,451,000	\$ -	\$ 1,451,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,451,000	\$ -	\$ 1,451,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>10 Retirement and Retiree Health Contributions - Public School Personnel</b>					
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.	Req \$	26,009,074	\$ -	\$ 53,318,833	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	26,009,074	\$ -	\$ 53,318,833	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>11 Retirement and Retiree Health Contributions - DPI</b>					
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.	Req \$	183,211	\$ -	\$ 375,583	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	183,211	\$ -	\$ 375,583	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>12 Retiree Cost-of-Living Adjustment - Public School Personnel</b>					
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.	Req \$	-	\$ 16,240,330	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 16,240,330	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>13 Retiree Cost-of-Living Adjustment - DPI</b>					
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.	Req \$	-	\$ 621,140	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 621,140	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>14 State Health Plan - Public School Personnel</b>					
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.	Req \$	64,056,624	\$ -	\$ 131,316,294	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	64,056,624	\$ -	\$ 131,316,294	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>15 State Health Plan - DPI</b>					
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.	Req \$	302,107	\$ -	\$ 619,320	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	302,107	\$ -	\$ 619,320	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>Technical Adjustments</b>					
<b>16 Enrollment Adjustment</b>					
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. This item is funded in part using Department of Revenue Sales and Use Tax receipts.	Req \$	104,300,000	\$ -	\$ 104,300,000	\$ -
	Rec \$	7,800,000	\$ -	\$ 12,800,000	\$ -
	App \$	96,500,000	\$ -	\$ 91,500,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>17 Contingency Reserve</b>					
Appropriates funds to the ADM Contingency Reserve to cover projected costs for the 2025-26 school year. These funds support public school ADM increases due to population growth, growing districts and charter schools, and new charter schools.	Req \$	4,000,000	\$ -	\$ 4,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	4,000,000	\$ -	\$ 4,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Student Safety and Well-Being</b>					
<b>18 Universal School Breakfast at No Cost to Students</b>					
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 195,000 free breakfasts each school day. Research shows that receiving free breakfast improves student health, learning, and behavior. This item is supported by Education Lottery Receipts.	Req \$	85,300,000	\$ -	\$ 85,300,000	\$ -
	Rec \$	85,300,000	\$ -	\$ 85,300,000	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>19 School Health Personnel</b>					
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 achievement, reduce absences and misbehavior, and increase four-year college enrollment. This item will fund about 330 new positions.	Req \$	32,745,000	\$ -	\$ 32,745,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	32,745,000	\$ -	\$ 32,745,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>20 Pilot Program to Limit Student Cell Phone Use in Schools</b>					
Creates a pilot grant program to help districts implement strategies that limit student cell phone use in schools. Strategies may include use of lockers or pouches to secure phones during instructional time. This item includes \$100,000 for an evaluation study.	Req \$	-	\$ 5,100,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 5,100,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>21 School Safety Allotment</b>					
Funds 330 new school resource officer (SRO) positions in elementary and middle schools each year, continues to support existing SROs at 165 PSUs, and creates the School Safety allotment to more efficiently distribute funds to schools. A corresponding special provision directs the Center for Safer Schools and 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 to SRO grants to reflect the transfer of all elementary and middle school SRO funding to this allotment.	Req \$	63,000,000	\$ -	\$ 93,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	63,000,000	\$ -	\$ 93,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>22 School Bus Routing System Contract</b>					
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. Appropriations for this purpose have not increased in line with contract costs.	Req \$	116,300	\$ -	\$ 140,500	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	116,300	\$ -	\$ 140,500	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>Support, Recruit, and Retain</b>					
<b>23 Teacher Supply Stipend</b>					
Provides a \$300 tax-deductible stipend to every public school teacher to purchase teaching supplies and classroom materials. Almost 95% of teachers spend their own money for needed supplies, which further reduces teacher compensation.	Req \$	-	\$ 30,000,000	\$ -	\$ 30,000,000
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 30,000,000	\$ -	\$ 30,000,000
	FTE	0.000	0.000	0.000	0.000
<b>24 Support for Low-Performing Districts</b>					
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	\$ -	\$ 4,500,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	4,500,000	\$ -	\$ 4,500,000	\$ -
	FTE	16.000	0.000	16.000	0.000
<b>25 NC Center for the Advancement of Teaching</b>					
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 support an additional 14,000 teachers a year and impact at least 350,000 public school students annually across North Carolina. These funds support operations and positions, including new faculty, as well as administrative, program support, and operations positions.	Req \$	922,000	\$ -	\$ 2,058,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	922,000	\$ -	\$ 2,058,000	\$ -
	FTE	6.000	0.000	20.000	0.000
<b>26 Teacher Assistants to Teachers Tuition Reimbursement Program</b>					
Fully funds the Teacher Assistants to Teachers program ("TAs to Teachers"), which reimburses public school teacher assistants who are taking educator preparation courses. The program offers up to \$4,600 per year for up to four years for tuition and fees. Due to funding constraints, the program was only able to offer partial funding for 198 out of 547 reimbursement requests in FY 2024-25. Teacher assistants in low-wealth counties accounted for more than half of the unfilled requests.	Req \$	4,000,000	\$ -	\$ 4,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	4,000,000	\$ -	\$ 4,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Advance Educational Excellence and Innovation</b>					
<b>27 Devices for Students</b>					
Enables public schools to continue providing every student with a laptop, a policy adopted during the pandemic and previously supported with federal COVID relief funds. Digital and online learning is now an essential part of the school day, and this initiative will ensure students stay connected. This investment supports a four-year refresh cycle with a 2/3 state contribution and 1/3 local contribution. This item is funded in part using recurring receipts from the Education Lottery and is supplemented in this biennium using nonrecurring receipts from the Civil Penalty and Forfeiture Fund.	Req \$	100,000,000	\$ 11,300,000	\$ 100,000,000	\$ 11,300,000
	Rec \$	68,250,000	\$ 11,300,000	\$ 68,250,000	\$ 11,300,000
	App \$	31,750,000	\$ -	\$ 31,750,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>28 Exceptional Children Funding</b>					
Eliminates the funding cap for the Children with Disabilities allotment that is currently set at 13% of ADM. Children with disabilities will account for more than 13% of ADM in 86 out of 115 school districts in FY 2025-26, and this change ensures that all districts will receive state funding for all students with special learning needs.	Req \$	27,000,000	\$ -	\$ 27,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	27,000,000	\$ -	\$ 27,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>29 Advanced Teaching Roles – Salary Supplements for Leadership Roles</b>					
Expands funding for 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. ATR provides salary supplements for excellent teachers to coach novice teachers and reach more students to improve school-wide quality. Research shows that ATR improves student scores, particularly in math.	Req \$	14,100,000	\$ -	\$ 20,100,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	14,100,000	\$ -	\$ 20,100,000	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>Advance Educational Excellence and Innovation</b>					
<b>30 Advanced Teaching Roles – District Design and Implementation Grants</b>					
Provides supplemental funding for the Advanced Teaching Roles program established in G.S. 115C-311. These funds will allow DPI to fully fund design and implementation costs for the six districts in the FY 2025-26 grant cohort and to expand the FY 2026-27 grant cohort.	Req \$	2,000,000	\$ -	\$ 6,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,000,000	\$ -	\$ 6,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>31 Diagnostic Reading Assessments for Grades 4 and 5</b>					
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 in expanding literacy work to the middle grades.	Req \$	1,390,800	\$ 967,000	\$ 1,506,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,390,800	\$ 967,000	\$ 1,506,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>32 Middle Grades Literacy Initiative</b>					
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 as supports are removed, summative reading proficiency begins to decline. 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 \$	14,000,000	\$ 25,002,000	\$ 15,380,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	14,000,000	\$ 25,002,000	\$ 15,380,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>33 High-Dosage Tutoring</b>					
Provides funds to support high-dosage 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. Districts may operate their own programs or contract with a third party to deliver in-person tutoring three times per week to students who are below grade level in reading or math. This item includes \$100,000 for an evaluation study.	Req \$	6,000,000	\$ -	\$ 6,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	6,000,000	\$ -	\$ 6,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>34 Cooperative Innovative High Schools</b>					
Funds new Cooperative Innovative High Schools (CIHS) in Martin, Moore, and Mecklenburg counties that have been conditionally approved by the State Board of Education (SBE). CIHS 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 \$	635,000	\$ -	\$ 635,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	635,000	\$ -	\$ 635,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>35 Governor Morehead School for the Blind</b>					
Provides funds to support the Governor Morehead School (GMS) transition to functioning as an independent agency, as required by S.L. 2023-10. Additional positions, reclassification of current positions to higher levels, legal contracting fee support, and operational funds will ensure compliance with state agency requirements, including maintaining basic operations and enforcing segregation of duties among HR personnel and between finance and procurement. The GMS provides an essential service to children with visual impairments who require specialized instruction and services to receive their education. The school may establish up to four FTE with these funds.	Req \$	560,000	\$ -	\$ 560,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	560,000	\$ -	\$ 560,000	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>Advance Educational Excellence and Innovation</b>					
<b>36 Eastern NC School for the Deaf</b>					
Provides funds to support the Eastern NC School for the Deaf (ENCSD) transition to functioning as an independent agency, as required by S.L. 2023-10. Additional positions, reclassification of current positions to higher levels, legal contracting fee support, and operational funds will ensure compliance with state agency requirements, including maintaining basic operations and enforcing segregation of duties among HR personnel and between finance and procurement. The ENCSD provides an essential service to children with hearing loss who require specialized instruction and services to receive their education. The school may establish up to four FTE with these funds.	Req \$	560,000	\$ -	\$ 560,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	560,000	\$ -	\$ 560,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>37 NC School for the Deaf</b>					
Provides funds to support the NC School for the Deaf (NCSD) transition to functioning as an independent agency, as required by S.L. 2023-10. Additional positions, reclassification of current positions to higher levels, and operational funds will ensure compliance with state agency requirements, including maintaining basic operations and enforcing segregation of duties among HR personnel and between finance and procurement. The NCSD received legal contracting fee support in S.L. 2024-57. The NCSD provides an essential service to children with hearing loss who require specialized instruction and services to receive their education. The school may establish up to four FTE with these funds.	Req \$	440,000	\$ -	\$ 440,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	440,000	\$ -	\$ 440,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>38 Uniform Education Reporting System Contract Cost Escalation</b>					
Increases funding for the student information system (SIS) and single sign-on (SSO) services to cover significant increases in subscription costs and ensure business continuity. The SIS stores over 1.5 million district and charter school records statewide, and it forms the backbone of all school operations by calculating grades, creating transcripts, providing medical alerts, and communicating with parents. SSO supports over 40 applications and manages over 2 million active accounts with over 1 million daily authentications.	Req \$	16,400,000	\$ 1,100,000	\$ 16,400,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	16,400,000	\$ 1,100,000	\$ 16,400,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>39 Department of Information Technology Billing Structural Shortfall</b>					
Adjusts funding to close 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	\$ -	\$ 1,140,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,140,000	\$ -	\$ 1,140,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>40 Technology Infrastructure for Business Continuity</b>					
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 that were previously supported by federal COVID relief funds. Providing Google Workspace licenses for 1,500 DPI employees promotes seamless communication and sharing between public schools and DPI. MS Teams and M365 investments streamline DPI systems while securing and backing up critical data.	Req \$	720,000	\$ -	\$ 720,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	720,000	\$ -	\$ 720,000	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>41 Broadband Access and Classroom Connectivity</b>					
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 would unlock up to \$7.5 million in federal E-Rate funds in each year of the biennium.	Req \$	2,500,000	\$ -	\$ 2,500,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,500,000	\$ -	\$ 2,500,000	\$ -
	FTE	0.000	0.000	0.000	0.000

	R Changes	NR Changes	R Changes	NR Changes
<b>Advance Educational Excellence and Innovation</b>				
<b>42 Classroom Materials</b>				
Provides funds to help schools access high-quality instructional materials and supplies through the Classroom Materials allotment. Schools often rely on parents, teachers, and community drives for needed supplies, which disadvantages low-wealth school districts. Schools may use these funds to purchase or refresh devices such as laptops. This item is supported by receipts from the Indian Gaming Education Fund.	Req \$ 3,700,000	\$ 9,000,000	\$ 3,700,000	\$ -
	Rec \$ 3,700,000	\$ 9,000,000	\$ 3,700,000	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>43 Cybersecurity Enhancements for Public Schools</b>				
Enhances cybersecurity at public schools across the state and protects the privacy of education-related data through proactive risk management and compliance measures. Funds support endpoint security and threat detection for about 300,000 licensed users and a Cybersecurity Regional Support Consultant.	Req \$ 6,910,000	\$ -	\$ 6,910,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 6,910,000	\$ -	\$ 6,910,000	\$ -
	FTE 1.000	0.000	1.000	0.000
<b>44 School Business Systems Modernization for Public Schools</b>				
Supports 92 public school units 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 1-3 years. This item is funded through the IT Reserve, and funds for this project will be allocated to the department over the life of the project.	Req \$ -	\$ -	\$ -	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
<b>45 Administrative and Legal Support</b>				
Supports key functions of the SBE and the Charter School Review Board (CSRB) by funding positions and operating expenses. Funds for a Professional Misconduct Investigator and a Rulemaking Coordinator will enable the SBE to fulfill its statutory mandate to ensure the quality and reputability of public school teachers and to adopt administrative rules in accordance with the Administrative Procedure Act. Funds for operating, legal, and travel expenses will assist the CSRB in serving the growing number of charter schools in the state.	Req \$ 321,960	\$ -	\$ 323,360	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 321,960	\$ -	\$ 323,360	\$ -
	FTE 2.000	0.000	2.000	0.000
<b>46 Whole System Apprenticeships Model</b>				
Invests in the development of a 'whole system' model of apprenticeships from high school through higher education, leveraging funds provided by the Workforce Innovation and Opportunity Act, as well as from other sources. This investment will strengthen the state's talent pipeline by funding one position at ApprenticeshipNC to work with the Department of Public Instruction to better prepare and connect North Carolinians to high-demand workforce opportunities.	Req \$ 134,000	\$ -	\$ 134,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 134,000	\$ -	\$ 134,000	\$ -
	FTE 1.000	0.000	1.000	0.000
<b>Total Change to Requirements</b>	\$ 1,041,894,076	\$ 152,724,470	\$ 1,520,847,890	\$ 41,300,000
<b>Total Change to Receipts</b>	\$ 165,050,000	\$ 20,300,000	\$ 170,050,000	\$ 11,300,000
<b>Total Change to Net Appropriations</b>	\$ 876,844,076	\$ 132,424,470	\$ 1,350,797,890	\$ 30,000,000
<b>Total Change to Full-Time Equivalent (FTE)</b>	26.000	0.000	40.000	0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$	1,009,268,546	\$	1,380,797,890
<b>Total Change to Full-Time Equivalent (FTE)</b>		26.000		40.000



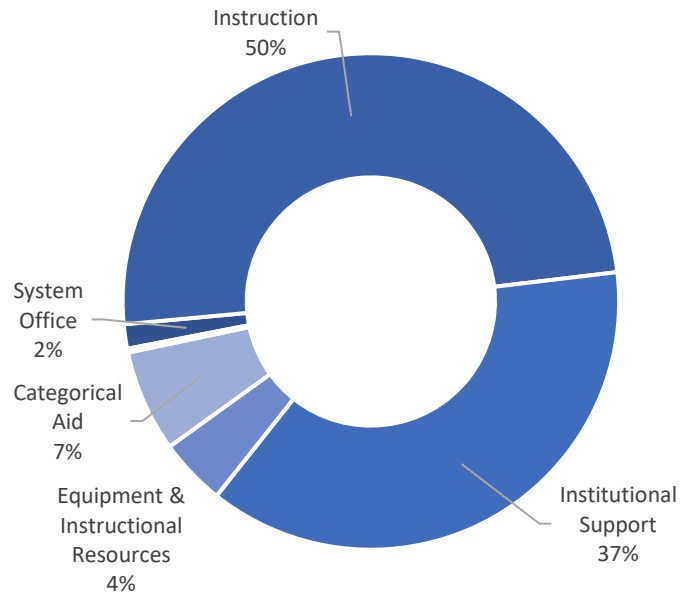
**Mission**

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.

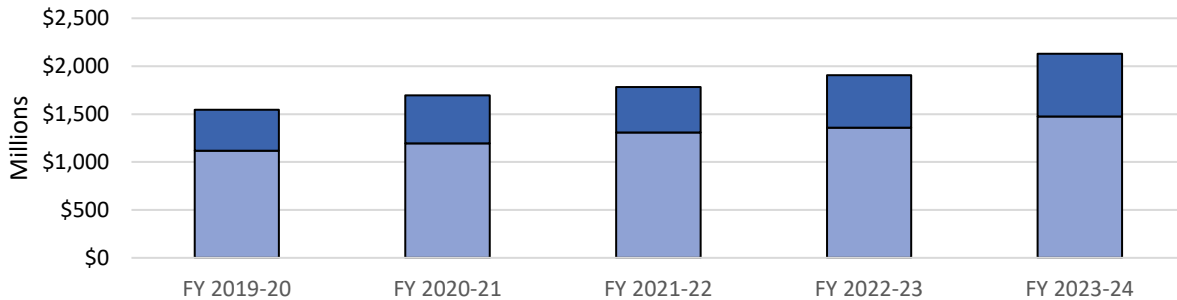
**FY 2023-24 Actual Expenditures**



**Agency Profile**

- In 2023-24, NCCCS served more than 615,000 students, enrolled in academic, workforce continuing education, and literacy courses, at 58 colleges across the state.
- In 2023-24, more than 63,000 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. ■ Net Appropriation ■ Receipts

**NC Community College System - General Fund (16800)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 1,961,916,208	\$ 242,035,273	\$ 30,135,635	\$ 272,170,908	\$ 2,234,087,116	13.9%
Receipts	\$ 379,955,931	\$ 18,357,947	\$ -	\$ 18,357,947	\$ 398,313,878	4.8%
Net Appropriation	\$ 1,581,960,277	\$ 223,677,326	\$ 30,135,635	\$ 253,812,961	\$ 1,835,773,238	16.0%
Positions (FTE)	239.000	1.000	-	1.000	240.000	0.4%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 1,961,916,208	\$ 253,631,669	\$ -	\$ 253,631,669	\$ 2,215,547,877	12.9%
Receipts	\$ 379,955,931	\$ 18,357,947	\$ -	\$ 18,357,947	\$ 398,313,878	4.8%
Net Appropriation	\$ 1,581,960,277	\$ 235,273,722	\$ -	\$ 235,273,722	\$ 1,817,233,999	14.9%
Positions (FTE)	239.000	1.000	-	1.000	240.000	0.4%

	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%.

Req \$	478,000	\$ -	\$ 478,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	478,000	\$ -	\$ 478,000	\$ -
FTE	0.000	0.000	0.000	0.000

**2 Compensation Increase Reserve - Community Colleges**

Increases all state-funded employee salaries by 2%.

Req \$	30,460,000	\$ -	\$ 30,460,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	30,460,000	\$ -	\$ 30,460,000	\$ -
FTE	0.000	0.000	0.000	0.000

**3 State Employees Bonus - System Office**

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 239,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 239,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**4 Community College Staff Bonus**

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 17,830,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 17,830,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**5 Labor Market Retention and Adjustment Reserve - System Office**

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	478,000	\$ -	\$ 478,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	478,000	\$ -	\$ 478,000	\$ -
FTE	0.000	0.000	0.000	0.000

**6 Labor Market Retention and Adjustment Reserve - Community Colleges**

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	30,460,000	\$ -	\$ 30,460,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	30,460,000	\$ -	\$ 30,460,000	\$ -
FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>Reserve for Salaries and Benefits</b>					
<b>7 Retirement and Retiree Health Contributions - System Office</b>					
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.	Req \$	60,445	\$ -	\$ 123,912	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	60,445	\$ -	\$ 123,912	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>8 Retirement and Retiree Health Contributions - Community Colleges</b>					
Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.	Req \$	3,845,036	\$ -	\$ 7,882,353	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	3,845,036	\$ -	\$ 7,882,353	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>9 Retiree Cost-of-Living Adjustment - System Office</b>					
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.	Req \$	-	\$ 204,925	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 204,925	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>10 Retiree Cost-of-Living Adjustment - Community Colleges</b>					
Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.	Req \$	-	\$ 11,861,710	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 11,861,710	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>11 State Health Plan - System Office</b>					
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.	Req \$	71,353	\$ -	\$ 146,274	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	71,353	\$ -	\$ 146,274	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>12 State Health Plan - Community Colleges</b>					
Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.	Req \$	7,067,303	\$ -	\$ 14,487,994	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	7,067,303	\$ -	\$ 14,487,994	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Student Investment</b>					
<b>13 Enrollment Growth Adjustment</b>					
Adjusts funds for FY 2025-26 based on the preliminary change in community college enrollment. Community college total enrollment increased by 6.8%, or 16,377 full-time equivalent students, from the budgeted amount in FY 2024-25. This adjustment includes estimated receipts from tuition and registration fees.	Req \$	94,156,267	\$ -	\$ 94,156,267	\$ -
	Rec \$	18,357,947	\$ -	\$ 18,357,947	\$ -
	App \$	75,798,320	\$ -	\$ 75,798,320	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>14 Propel NC</b>					
Provides funding to implement 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	\$ -	\$ 34,291,805	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	34,291,805	\$ -	\$ 34,291,805	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>15 Enrollment Increase Reserve</b>					
Invests recurring funds 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 2024, 50 colleges experienced enrollment increases.	Req \$	6,000,000	\$ -	\$ 6,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	6,000,000	\$ -	\$ 6,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000

		R Changes	NR Changes	R Changes	NR Changes
<b>Student Investment</b>					
<b>16 Free Community College Tuition for High Demand Skills Training</b>					
Covers the cost of attendance, including registration and local fees, for resident students enrolled in non-credit, short-term workforce training programs. These grants will fill a gap in the student funding landscape, expanding access to North Carolina's community colleges by providing up to \$750 per credential in financial assistance. This investment will narrow the state's in-demand workforce skills gaps by supporting students in attaining at least 45,000 industry-recognized credentials.	Req \$	34,491,330	\$ -	\$ 34,491,330	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	34,491,330	\$ -	\$ 34,491,330	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>17 Whole System Apprenticeships Model</b>					
Invests in the development of a 'whole system' model of apprenticeships from high school through higher education, leveraging funds provided by the Workforce Innovation and Opportunity Act (WIOA), as well as from other sources. This investment will strengthen the state's talent pipeline by funding one position at ApprenticeshipNC to work with the Department of Commerce and the Department of Public Instruction to better prepare and connect North Carolinians to high-demand workforce opportunities.	Req \$	133,000	\$ -	\$ 133,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	133,000	\$ -	\$ 133,000	\$ -
	FTE	1.000	0.000	1.000	0.000
<b>Department-wide</b>					
<b>18 Information Technology Rates</b>					
Funds the expected increase in IT rate charges resulting from the FY 2025-26 approved increase in the Department of Information Technology's subscription and service delivery rates.	Req \$	42,734	\$ -	\$ 42,734	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	42,734	\$ -	\$ 42,734	\$ -
	FTE	0.000	0.000	0.000	0.000
<b>Total Change to Requirements</b>		\$ 242,035,273	\$ 30,135,635	\$ 253,631,669	\$ -
<b>Total Change to Receipts</b>		\$ 18,357,947	\$ -	\$ 18,357,947	\$ -
<b>Total Change to Net Appropriations</b>		\$ 223,677,326	\$ 30,135,635	\$ 235,273,722	\$ -
<b>Total Change to Full-Time Equivalent (FTE)</b>		1.000	0.000	1.000	0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$		253,812,961	\$	235,273,722
<b>Total Change to Full-Time Equivalent (FTE)</b>			1.000		1.000

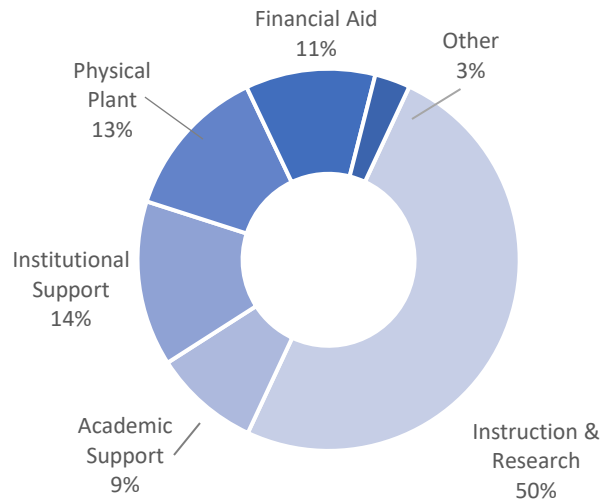
**Mission**

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.

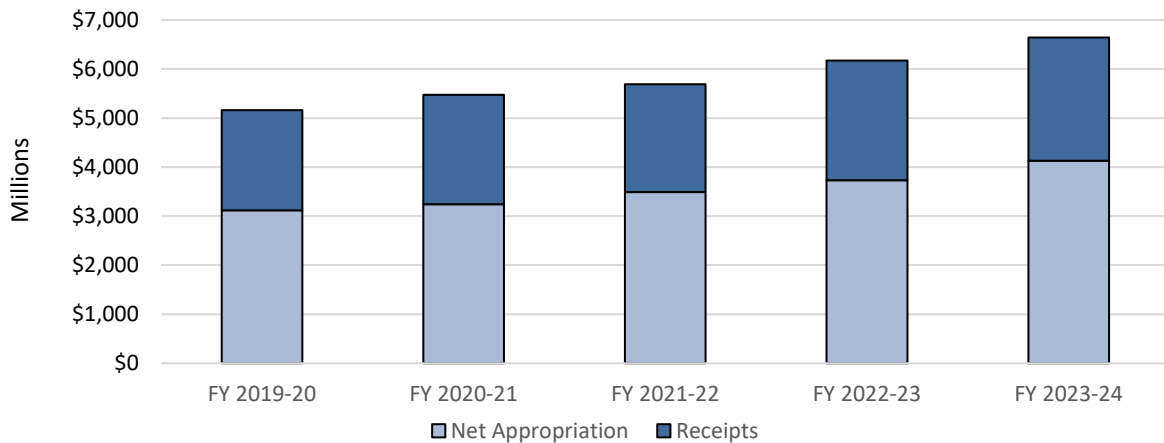
**FY 2023-24 Actual Expenditures**



**Agency Profile**

- Served 247,928 students enrolled in the 17 System institutions across the state in 2024.
- In 2023, brought in more than \$1.9 billion in grants for innovative research and scholarship across the UNC System.

**5-Year Historical Expenditures**



*Charts include General Fund budget codes only.*

**UNC Board of Governors - Institutional Programs (16011)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 109,263,450	\$ 280,021,869	\$ 55,915,023	\$ 335,936,892	\$ 445,200,342	307.5 %
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Net Appropriation	\$ 109,263,450	\$ 280,021,869	\$ 55,915,023	\$ 335,936,892	\$ 445,200,342	307.5 %
Positions (FTE)	-	-	-	-	-	0.0 %

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 109,263,450	\$ 309,644,742	\$ -	\$ 309,644,742	\$ 418,908,192	283.4 %
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0 %
Net Appropriation	\$ 109,263,450	\$ 309,644,742	\$ -	\$ 309,644,742	\$ 418,908,192	283.4 %
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%.

Req \$	79,224,000	\$ -	\$ 79,224,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	79,224,000	\$ -	\$ 79,224,000	\$ -
FTE	0.000	0.000	0.000	0.000

**2 State Employee Bonus**

Provides a \$1,000 bonus for all General Fund state employees regardless of funding source. This bonus is in addition to the recurring salary increase.

Req \$	-	\$ 38,107,000	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 38,107,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**3 Labor Market Retention and Adjustment Reserve**

Addresses retention and other labor market needs by providing a reserve equal to 2% of General Fund net appropriation-supported payroll. Agencies may use these funds to address turnover, equity, and compression and to adjust salaries to better compete for and retain talent. A 2024 evaluation found that, among state agencies, 90% of previous LMAR recipients are still employed with their LMAR-awarding agency compared to 76% of non-recipients.

Req \$	79,224,000	\$ -	\$ 79,224,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	79,224,000	\$ -	\$ 79,224,000	\$ -
FTE	0.000	0.000	0.000	0.000

**4 Retirement and Retiree Health Contributions**

Increases funding for the State's General Fund contribution for members of its retirement systems to reflect required rate changes for employee benefit programs, including the retirement systems and retiree medical premiums. The contribution rates for all systems remain higher than the rates system actuaries recommend.

Req \$	10,000,443	\$ -	\$ 20,500,989	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	10,000,443	\$ -	\$ 20,500,989	\$ -
FTE	0.000	0.000	0.000	0.000

**5 Retiree Cost-of-Living Adjustment**

Provides a one-time retiree supplement of 2% for the over 250,000 retired members of the state's retirement systems and survivors of deceased members.

Req \$	-	\$ 17,291,359	\$ -	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 17,291,359	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

**6 State Health Plan**

Provides funding for a 5% increase in employer premiums for enrolled active employees supported by the General Fund in each year of the 2025-27 fiscal biennium.

Req \$	14,360,388	\$ -	\$ 29,438,845	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	14,360,388	\$ -	\$ 29,438,845	\$ -
FTE	0.000	0.000	0.000	0.000

		R Changes		NR Changes		R Changes		NR Changes
<b>Systemwide</b>								
<b>7 Enrollment Growth Adjustment</b>								
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 1.6% increase in total student credit hours across the UNC System in 2024.	Req \$	46,375,508	\$	-	\$	46,375,508	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	46,375,508	\$	-	\$	46,375,508	\$	-
	FTE	0.000		0.000		0.000		0.000
<b>8 Performance Funding Pool</b>								
Establishes a set amount of funding to be allocated annually by the UNC Board of Governors to UNC constituent institutions based on their progress on performance metrics. This initiative helps align funding with outcomes and incentivizes campuses to make progress on system-wide strategic goals, like increasing four-year graduation rates, increasing affordability, and reducing expense per degree, as well as on institution specific goals.	Req \$	30,000,000	\$	-	\$	30,000,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	30,000,000	\$	-	\$	30,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000
<b>9 UNC Building Reserves</b>								
Provides maintenance and operational funding for new or expanded facilities opening in FY 2025-26, including facilities at North Carolina State University, North Carolina School of Science and Math, and University of North Carolina at Chapel Hill.	Req \$	3,187,530	\$	516,664	\$	3,731,400	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	3,187,530	\$	516,664	\$	3,731,400	\$	-
	FTE	0.000		0.000		0.000		0.000
<b>Student Affordability and Success</b>								
<b>10 NC Promise Supplemental</b>								
Provides funding to support enrollment through the NC Promise Tuition Program, which sets tuition at \$500 per semester for North Carolina residents and \$2,500 for non-residents at Elizabeth City State University, UNC-Pembroke, Winston-Salem State University, and Fayetteville State University. The increase is necessary for the total appropriation to keep pace with growth in student enrollment and ensure the program is fully funded at these four institutions.	Req \$	9,500,000	\$	-	\$	13,000,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	9,500,000	\$	-	\$	13,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000
<b>11 Cheatham-White Scholarship Program</b>								
Expands funding for the merit-based Cheatham-White Scholarship program that awards full four-year funding to selected students, covering tuition, student fees, housing, meals, textbooks, supplies, summer enrichment, and networking opportunities. The funding would allow for an additional 200 scholarships to be awarded, as well as extend the program to Winston-Salem State University.	Req \$	3,150,000	\$	-	\$	3,150,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	3,150,000	\$	-	\$	3,150,000	\$	-
	FTE	0.000		0.000		0.000		0.000
<b>12 Completion Assistance Program</b>								
Invests funds to increase graduation rates at Elizabeth City State University, Fayetteville State University, North Carolina Central University, UNC-Pembroke, 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. Since 2017, more than 27,000 students with more than 60 credit hours dropped out of a UNC System institution. Of those students, 14,000 had more than 90 credit hours. Finances are often cited as the main reason for not reenrolling.	Req \$	5,000,000	\$	-	\$	5,000,000	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	5,000,000	\$	-	\$	5,000,000	\$	-
	FTE	0.000		0.000		0.000		0.000
<b>Total Change to Requirements</b>	\$	<b>280,021,869</b>	\$	<b>55,915,023</b>	\$	<b>309,644,742</b>	\$	<b>-</b>
<b>Total Change to Receipts</b>	\$	<b>-</b>	\$	<b>-</b>	\$	<b>-</b>	\$	<b>-</b>
<b>Total Change to Net Appropriations</b>	\$	<b>280,021,869</b>	\$	<b>55,915,023</b>	\$	<b>309,644,742</b>	\$	<b>-</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>		<b>0.000</b>		<b>0.000</b>		<b>0.000</b>		<b>0.000</b>
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$			<b>335,936,892</b>	\$			<b>309,644,742</b>
<b>Total Change to Full-Time Equivalent (FTE)</b>				<b>0.000</b>				<b>0.000</b>

**UNC Board of Governors - Related Educational Programs (16012)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 1,068,914,078	\$ (427,390,000)	\$ (351,430,000)	\$ (778,820,000)	\$ 290,094,078	(72.9)%
Receipts	\$ 134,337,939	\$ -	\$ -	\$ -	\$ 134,337,939	0.0%
Net Appropriation	\$ 934,576,139	\$ (427,390,000)	\$ (351,430,000)	\$ (778,820,000)	\$ 155,756,139	(83.3)%
Positions (FTE)	-	-	-	-	-	0.0%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 1,119,914,078	\$ (490,620,000)	\$ -	\$ (490,620,000)	\$ 629,294,078	(43.8)%
Receipts	\$ 134,337,939	\$ -	\$ -	\$ -	\$ 134,337,939	0.0%
Net Appropriation	\$ 985,576,139	\$ (490,620,000)	\$ -	\$ (490,620,000)	\$ 494,956,139	(49.8)%
Positions (FTE)	-	-	-	-	-	0.0%

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

**Related Programs**

**1 Opportunity Scholarships 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 2024-25 school year may renew their awards, but families making more than 200% of the income limit for reduced price lunch are no longer eligible. These public funds will instead fund public school students and teachers.

Req \$	(432,390,000)	\$ (351,430,000)	\$ (495,620,000)	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	(432,390,000)	\$ (351,430,000)	\$ (495,620,000)	\$ -
FTE	0.000	0.000	0.000	0.000

**2 NC Needs Based Scholarship Increase for Private College Students**

Increases scholarship funds for North Carolina residents attending North Carolina Independent Colleges and Universities (NCICU) member institutions. The North Carolina Need-Based Scholarship supports over half of the 27,000 undergraduates attending NCICU institutions, and this expansion would substantially increase the number of North Carolinians with post-secondary degrees and credentials.

Req \$	5,000,000	\$ -	\$ 5,000,000	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	5,000,000	\$ -	\$ 5,000,000	\$ -
FTE	0.000	0.000	0.000	0.000

<b>Total Change to Requirements</b>	\$ (427,390,000)	\$ (351,430,000)	\$ (490,620,000)	\$ -
<b>Total Change to Receipts</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Change to Net Appropriations</b>	\$ (427,390,000)	\$ (351,430,000)	\$ (490,620,000)	\$ -
<b>Total Change to Full-Time Equivalent (FTE)</b>	0.000	0.000	0.000	0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$	(778,820,000)	\$	(490,620,000)
<b>Total Change to Full-Time Equivalent (FTE)</b>		0.000		0.000



**UNC General Administration - Aid to Private Institutions (16015)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base 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%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base 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%

	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. NCICU institutions currently award 90% of physician degrees and 60% of medical degrees awarded by North Carolina institutions.

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

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

**University of North Carolina at Chapel Hill - Area Health Education (16022)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 56,855,450	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 57,855,450	1.8%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 56,855,450	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 57,855,450	1.8%
Positions (FTE)	55.760	-	-	-	55.760	0.0%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 56,855,450	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 57,855,450	1.8%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 56,855,450	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 57,855,450	1.8%
Positions (FTE)	55.760	-	-	-	55.760	0.0%

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

**Workforce**

**1 NC Area Health Education Center Nursing Workforce Expansion**

Provides \$1 million to the North Carolina Area Health Education Centers (AHEC) to expand the Clinical Instructor Partnership, Clinical Site Development, and the Educational Mobility programs. 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.

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

<b>Total Change to Requirements</b>	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
<b>Total Change to Receipts</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Change to Net Appropriations</b>	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
<b>Total Change to Full-Time Equivalent (FTE)</b>	0.000	0.000	0.000	0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$	1,000,000	\$	1,000,000
<b>Total Change to Full-Time Equivalent (FTE)</b>		0.000		0.000

**UNC School of the Arts - General Fund (16092)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 58,876,330	\$ 43,026	\$ -	\$ 43,026	\$ 58,919,356	0.1%
Receipts	\$ 16,904,167	\$ -	\$ -	\$ -	\$ 16,904,167	0.0%
Net Appropriation	\$ 41,972,163	\$ 43,026	\$ -	\$ 43,026	\$ 42,015,189	0.1%
Positions (FTE)	472.184	-	-	-	472.184	0.0%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 58,876,330	\$ 43,026	\$ -	\$ 43,026	\$ 58,919,356	0.1%
Receipts	\$ 16,904,167	\$ -	\$ -	\$ -	\$ 16,904,167	0.0%
Net Appropriation	\$ 41,972,163	\$ 43,026	\$ -	\$ 43,026	\$ 42,015,189	0.1%
Positions (FTE)	472.184	-	-	-	472.184	0.0%

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

**Campuswide**

**1 UNCOSA High School Funding Model Adjustment**

Provides a 2% increase to pay for inflationary increases in non-personnel operating costs at UNC School of the Arts. The two high school programs that are a part of the UNC System do not raise revenue through tuition, and this adjustment would ensure that the budgets associated with these schools are able to keep pace with inflation.

Req \$	43,026	\$ -	\$ 43,026	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	43,026	\$ -	\$ 43,026	\$ -
FTE	0.000	0.000	0.000	0.000

<b>Total Change to Requirements</b>	\$ 43,026	\$ -	\$ 43,026	\$ -
<b>Total Change to Receipts</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Change to Net Appropriations</b>	\$ 43,026	\$ -	\$ 43,026	\$ -
<b>Total Change to Full-Time Equivalent (FTE)</b>	0.000	0.000	0.000	0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$	43,026	\$	43,026
<b>Total Change to Full-Time Equivalent (FTE)</b>		0.000		0.000

**NC School of Science and Mathematics - General Fund (16094)**

Year 1 FY 2025-26	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 49,107,483	\$ 261,401	\$ 1,640,000	\$ 1,901,401	\$ 51,008,884	3.9%
Receipts	\$ 3,866,717	\$ -	\$ -	\$ -	\$ 3,866,717	0.0%
Net Appropriation	\$ 45,240,766	\$ 261,401	\$ 1,640,000	\$ 1,901,401	\$ 47,142,167	4.2%
Positions (FTE)	369.000	-	-	-	369.000	0.0%

Year 2 FY 2026-27	Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Chg from Base Budget
Requirements	\$ 49,107,483	\$ 261,401	\$ 540,000	\$ 801,401	\$ 49,908,884	1.6%
Receipts	\$ 3,866,717	\$ -	\$ -	\$ -	\$ 3,866,717	0.0%
Net Appropriation	\$ 45,240,766	\$ 261,401	\$ 540,000	\$ 801,401	\$ 46,042,167	1.8%
Positions (FTE)	369.000	-	-	-	369.000	0.0%

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

**Campuswide**

**1 NCSSM High School Funding Model Adjustment**

Provides a 2% increase to pay for inflationary increases in non-personnel operating costs at NCSSM. The two high school programs that are a part of the UNC System do not raise revenue through tuition, and this adjustment would ensure that the budgets associated with these schools are able to keep pace with inflation.

Req \$	261,401	\$ -	\$ 261,401	\$ -
Rec \$	-	\$ -	\$ -	\$ -
App \$	261,401	\$ -	\$ 261,401	\$ -
FTE	0.000	0.000	0.000	0.000

**2 NCSSM Temporary Student Housing**

Provides funds to utilize temporary modular units for student housing while the dormitories on the North Carolina School of Science and Math (NCSSM) Durham campus undergo renovations.

Req \$	-	\$ 1,640,000	\$ -	\$ 540,000
Rec \$	-	\$ -	\$ -	\$ -
App \$	-	\$ 1,640,000	\$ -	\$ 540,000
FTE	0.000	0.000	0.000	0.000

<b>Total Change to Requirements</b>	\$ 261,401	\$ 1,640,000	\$ 261,401	\$ 540,000
<b>Total Change to Receipts</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Change to Net Appropriations</b>	\$ 261,401	\$ 1,640,000	\$ 261,401	\$ 540,000
<b>Total Change to Full-Time Equivalent (FTE)</b>	0.000	0.000	0.000	0.000
<b>Recommended Net Appropriation Changes (Recurring + Nonrecurring)</b>	\$	1,901,401	\$	801,401
<b>Total Change to Full-Time Equivalent (FTE)</b>		0.000		0.000