

Improving Public Education

Recommendation

Invest significantly in education by adding more than \$876 million in FY 2025-26 and \$1.2 billion in FY 2026-27. This budget raises starting teacher salaries to the highest in the Southeast, increases average teacher pay by 10.6%, reinstates master’s pay, and provides a stipend to teachers for school supplies. This budget ensures each public school student has a device for studying, supports all students with disabilities, and scales evidence-based literacy instruction into the middle grades. This budget also provides universal school breakfast at no cost to students, adds school health personnel and school resource officers, and implements a pilot program to reduce academic distractions caused by cell phone use. Finally, this budget provides for a \$4 billion school construction bond to support the renovation, repair, and construction of public school facilities across the state.

Table 1: Allocation of Funds to Dept. of Public Instruction to Improve Public Education

	FY 2025-26		FY 2026-27	
<i>Support, Recruit, and Retain</i>				
Teacher and Instructional Support Salaries	\$366,600,000	R	\$683,500,000	R
Master’s Pay	\$10,000,000		\$10,000,000	R
School-Based Administrator Salaries	\$18,100,000	R	\$42,600,000	R
Teacher Supply Stipend	\$30,000,000	NR	\$30,000,000	NR
Support for Low-Performing Districts	\$4,500,000	R	\$4,500,000	R
TAs to Teachers Tuition Reimbursement Program	\$4,000,000	R	\$4,000,000	R
NC Center for the Advancement of Teaching	\$922,000	R	\$2,058,000	R
	Sub Total		\$434,122,000	\$776,658,000
<i>Student Safety and Well-Being</i>				
Universal School Breakfast at No Cost to Students	\$85,300,000	R	\$85,300,000	R
School Health Personnel	\$32,745,000	R	\$32,745,000	R
School Safety	\$63,000,000	R	\$93,000,000	R
	\$10,000,000	NR		
Pilot Program to Limit Cell Phone Use in Schools	\$5,100,000	NR		
School Bus Routing System Contract	\$116,300	R	\$140,500	R
	Sub Total		\$196,261,300	\$211,185,500
<i>Advance Educational Excellence & Innovation</i>				
Devices for Students & Classroom Materials	\$103,700,000	R	\$103,700,000	R
	\$20,300,000	NR	\$11,300,000	NR
Exceptional Children Funding	\$27,000,000	R	\$27,000,000	R
Middle Grades Literacy & Diagnostic Assessments	\$15,390,800	R	\$16,886,000	R
	\$25,969,000	NR		
Advanced Teaching Roles	\$16,100,000	R	\$26,100,000	R
High-Dosage Tutoring	\$6,000,000	R	\$6,000,000	R
Cooperative Innovative High Schools	\$635,000	R	\$635,000	R
Residential Schools for the Deaf and Blind	\$1,560,000	R	\$1,560,000	R
Cybersecurity, Broadband, Student Information Systems, and other Operational Support	\$27,991,960	R	\$27,993,360	R
	\$1,100,000	NR		
	Sub Total		\$245,746,760	\$211,174,360
	Totals for Recurring and Nonrecurring		\$783,661,060	\$1,167,717,860
			\$92,469,000	\$41,300,000
	Grand Total		\$876,130,060	\$1,209,017,860

Recommendation Detail

Support, Recruit, and Retain

Teachers outweigh all other classroom factors in determining how well students perform. For North Carolina to attract and retain excellent teachers, the state must pay them more. Almost 9 of every 10 school-aged children in North Carolina attend public school, yet the state ranks 48th in K-12 funding, spending \$4,900 less per student than the national average.¹ Teacher attrition recently increased to 11.5% per year.² The state ranks 40th nationally in beginning teacher pay, and 10th out of the 12 Southeastern states, with North Carolina teachers earning over 25% less than similar college graduates who chose different careers.³

Governor Stein's Recommended Budget updates the teacher salary schedule to make starting teacher pay the highest in the Southeast and to increase average pay by 10.6% by the second year of the biennium. This budget restores master's degree salary supplements for educators who have or obtain a master's degree in the subject they teach. School health personnel and assistant principals receive raises based on the teacher salary schedule, and existing principals will receive a 6% increase over the biennium. This budget also increases teachers' take-home pay by providing every teacher and instructional support personnel with a \$300 tax-deductible stipend to purchase school supplies. The stipend will ensure teachers no longer have to use their own money for pencils and paper.

Pay is only one obstacle to recruiting and retaining a high-quality teacher workforce. This budget also supports teachers' professional development by expanding methods, content, mental health, and STEM offerings at the NC Center for the Advancement of Teaching. Additional professional learning, coaching, systems design, and capacity building support for low-performing and high poverty schools and districts will further improve student learning and staff retention.

By investing in teacher pipelines, including the Teacher Assistants to Teachers Tuition Reimbursement Program, this budget harnesses the capacity and potential of those already serving our students to take on a larger role educating the next generation of learners.

Student Safety and Well-Being

Improving student safety and well-being in public schools is essential to creating a positive and supportive learning environment. About 11% of North Carolina's population – or 1.2 million people – are experiencing food insecurity. About 394,000 of those individuals are children, which means about one in six children in North Carolina do not have enough food to eat. Research shows that breakfast improves student health, learning, and behavior, and this budget ensures that every public school student has access to a no-cost breakfast.

About half of youth with mental health disorders do not receive necessary care, and more than half of North Carolina's counties have no child or adolescent psychiatrists. This budget sustains the mental health gains made since the pandemic by increasing investments in school nurses, counselors, social workers, and psychologists. These professionals play a key role in supporting students' well-being, with evidence showing that they reduce absences and misbehavior and increase four-year college enrollment.

¹ [Education Law Center](#). "Making the Grade 2024". Ranked list includes all 50 states and Washington, DC.

² [NC DPI](#). 2022-23 State of the Teaching Profession in North Carolina

³ [Education Policy Institute](#). "Teacher Pay Rises in 2023 – but Not Enough to Shrink Pay Gap with Other College Graduates"

As schools across the country grapple with how to manage students' cell phone use during instructional time, North Carolina will lead in developing solutions. This budget funds a grant program to help districts implement strategies to limit cell phone use and an evaluation study to see which strategies work best. By establishing clear boundaries around technology, schools can create a more focused learning environment to promote better academic outcomes.

All parents want their kids to be safe at school. This budget includes funds for safety equipment that schools need to secure their campuses. It also funds school resource officers for elementary and middle schools and requires them to be trained on the social and cognitive development of school-aged children, behavioral health, and trauma-informed practices in schools. This budget improves school resource officers' ability to both protect and support North Carolina students.

Advance Educational Excellence and Innovation

Advancing educational excellence requires equipping teachers and classrooms with the resources necessary to meet student needs. Digital learning is now crucial to providing equitable access to learning, research, and educational tools, and all local education agencies (LEAs) in North Carolina have 1-1 device-to-student ratios. However, many schools bought these laptops with one-time Covid-relief funds, and over 70% of LEAs do not have the funds to refresh devices when they need replacement.⁴ This budget not only ensures that every student has access to a device, but it also provides high speed internet and appropriate cybersecurity protections.

All students have a right to educational services that meet their needs, and for some students those services include individualized support, therapies, and tailored educational resources. This budget delivers on the state's commitment to its exceptional children by eliminating the cap on funding for children with disabilities that currently limits funding in 86 of the state's 115 school districts. By dedicating more state funds to exceptional children, schools can provide the necessary accommodations and support services that empower these students to succeed alongside their peers.

The most recent National Assessment of Educational Progress (NAEP) shows that 70% of fourth graders and 73% of eighth graders in North Carolina are below proficient in reading. Literacy is the foundation of all learning, and early intervention is crucial. This budget expands North Carolina's early grades literacy initiative with a significant investment in diagnostic tools for fourth and fifth grade students, literacy intervention plans for middle school students, and training for all middle school core teachers. Middle schools will be able to identify students who are falling behind and offer additional support to improve reading and comprehension skills necessary for academic achievement across all subjects.

Schools across the country face critical teacher shortages, and North Carolina continues to support innovative programs that maximize the impact of its strongest educators. The Advanced Teaching Roles Program creates classroom leadership roles, so that excellent teachers can earn higher pay while remaining in the classroom, coaching novice teachers and reaching more students with high-quality instruction. Research shows that that the program improves student scores (particularly in math), and this budget adds even more districts to the program in FY 2026-27.

⁴ [DPI Report to the NC General Assembly](#): Statewide Trends in Student Digital Learning Access

School Construction Bond

The Department of Public Instruction's most recent Facility Needs Survey identified nearly \$13 billion in needs over a five-year period, a 62% increase over the previous survey.⁵ LEAs reported \$5.2 billion in need for new schools, \$1.7 billion for building additions, and \$5.5 billion to renovate existing facilities.

North Carolina has achieved the highest possible rating from independent credit ratings agencies, and the state's Debt Affordability Study finds that the General Fund has a debt capacity of approximately \$9.96 billion in FY 2025-26. This budget proposes a \$4 billion general obligation bond for school construction, which North Carolina voters would need to approve through a majority vote. About \$1.15 billion of the bond would be evenly distributed among the state's school districts, with the remaining \$2.85 billion allocated based on school district size. This formula would ensure that every school district in the state would receive a base amount of school construction funding while providing additional funds for districts with more students.

Expected Impact

- Raises starting teacher salaries to the highest in the Southeast by the second year of the biennium, at least \$53,000 including state and local supplements.
- Provides a 10.6% average raise for existing teachers over the biennium. The recommended FY 2026-27 teacher salary schedule is provided in Table 2 at the end of this summary.
- Restores 10% master's pay supplements for over 1,000 teachers whose advanced degrees are in the subjects they teach.
- Provides school breakfast at no cost to every public school student in the state.
- Supports student mental and physical health by providing funding for 330 additional school health personnel, including school counselors, nurses, social workers, and psychologists.
- Protects students and school staff by funding 330 new elementary and middle school resource officer positions each year in elementary and middle schools.
- Protects schools by providing grants for safety equipment including security cameras, exterior locks and fences, and metal detectors.
- Enables public schools to continue providing every public K-12 student in the state with a laptop on a 4-year refresh cycle.
- Funds all eligible Children with Disabilities. This includes those students with identified needs that were previously unfunded in the 86 school districts that exceed the current cap, set at 13% of students.
- Extends the state's early grade literacy initiative through grade eight, providing professional development on evidence-based reading instruction to more than 23,000 middle school core teachers and aligning district-wide intervention for struggling readers.
- Promotes school cybersecurity by funding endpoint protection licenses for 250,000 K-12 business servers and staff computers and provides funds to help public schools scan for and identify cybersecurity risks on 1.5 million devices on internal networks.
- Improves the learning environment for North Carolina's public school students by financing projects to build, renovate, modernize, and make facilities safer. The average amount of funding among the 115 LEAs under this proposal would be almost \$35 million, with even the smallest LEAs in the state receiving almost \$11 million in crucial funding to address their critical school infrastructure needs (see Table 3 for details).

⁵ [DPI Five-Year K-12 Facility Needs Report](#): 2020-21 Facility Needs Survey

Table 2: Annual Statewide Teacher Salary Schedule Comparison

Years of Exp.	Current FY 2024-25	Recommended FY 2025-26	Recommended FY 2026-27
0	41,000	44,500	51,200
1	41,750	45,300	51,600
2	42,500	46,100	52,000
3	43,250	46,900	52,400
4	44,000	47,700	52,800
5	44,750	48,500	53,200
6	45,720	49,300	53,600
7	46,630	50,100	54,000
8	47,530	50,900	54,400
9	48,440	51,700	54,800
10	49,350	52,500	55,200
11	50,250	53,300	55,600
12	51,160	54,100	56,000
13	52,060	54,900	56,400
14	52,970	55,700	56,800
15-24	53,880	55,880	57,200
25+	55,950	57,950	59,200

Table 3: Public School Capital Allocation for \$4 Billion Bond

Allocation Methodology			
\$4,000,000,000			
Base Amount	\$1,150,000,000	(\$10,000,000 per LEA)	
ADM	\$2,850,000,000		
LEA	Allocation Total	LEA	Allocation Total
1 Alamance-Burlington Schools	\$ 56,478,876	Mooreville Graded School District	\$ 22,039,459
2 Alexander County Schools	\$ 18,729,335	Jackson County Schools	\$ 16,948,559
3 Alleghany County Schools	\$ 12,657,657	Johnston County Schools	\$ 87,009,730
4 Anson County Schools	\$ 16,011,418	Jones County Schools	\$ 11,998,957
5 Ashe County Schools	\$ 15,346,484	Lee County Schools	\$ 29,035,809
6 Avery County Schools	\$ 13,519,994	Lenoir County Public Schools	\$ 26,905,943
7 Beaufort County Schools	\$ 21,355,823	Lincoln County Schools	\$ 33,810,866
8 Bertie County Schools	\$ 13,347,526	Macon County Schools	\$ 19,138,685
9 Bladen County Schools	\$ 17,860,765	Madison County Schools	\$ 14,303,369
10 Brunswick County Schools	\$ 38,068,520	Martin County Schools	\$ 15,309,081
11 Buncombe County Schools	\$ 55,822,254	McDowell County Schools	\$ 21,135,564
12 Asheville City Schools	\$ 17,945,960	Charlotte-Mecklenburg Schools	\$ 304,844,138
13 Burke County Schools	\$ 33,285,152	Mitchell County Schools	\$ 13,565,708
14 Cabarrus County Schools	\$ 83,078,308	Montgomery County Schools	\$ 17,154,273
15 Kannapolis City Schools	\$ 21,141,798	Moore County Schools	\$ 36,904,886
16 Caldwell County Schools	\$ 31,466,974	Nash-Rocky Mount Schools	\$ 36,996,314
17 Camden County Schools	\$ 13,977,136	New Hanover County Schools	\$ 61,114,712
18 Carteret County Public Schools	\$ 26,103,867	Northampton County Schools	\$ 12,449,866
19 Caswell County Schools	\$ 14,224,408	Onslow County Schools	\$ 66,396,780
20 Catawba County Schools	\$ 42,752,148	Orange County Schools	\$ 24,368,805
21 Hickory City Schools	\$ 17,551,155	Chapel Hill-Carrboro City Schools	\$ 33,093,984
22 Newton Conover City Schools	\$ 15,373,497	Pamlico County Schools	\$ 12,275,321
23 Chatham County Schools	\$ 28,310,616	Elizabeth City-Pasquotank Public Schools	\$ 19,616,606
24 Cherokee County Schools	\$ 16,098,690	Pender County Schools	\$ 32,310,609
25 Edenton-Chowan Schools	\$ 13,476,357	Perquimans County Schools	\$ 13,628,045
26 Clay County Schools	\$ 12,614,021	Person County Schools	\$ 18,999,464
27 Cleveland County Schools	\$ 39,140,726	Pitt County Schools	\$ 59,699,650
28 Columbus County Schools	\$ 20,846,733	Polk County Schools	\$ 14,135,057
29 Whiteville City Schools	\$ 14,132,979	Randolph County Schools	\$ 40,815,528
30 Craven County Schools	\$ 34,598,397	Asheboro City Schools	\$ 19,186,477
31 Cumberland County Schools	\$ 110,610,726	Richmond County Schools	\$ 23,171,924
32 Currituck County Schools	\$ 19,417,126	Public Schools of Robeson County	\$ 52,366,676
33 Dare County Schools	\$ 19,953,229	Rockingham County Schools	\$ 32,618,141
34 Davidson County Schools	\$ 46,845,647	Rowan-Salisbury Schools	\$ 46,552,661
35 Lexington City Schools	\$ 15,890,898	Rutherford County Schools	\$ 24,931,921
36 Thomasville City Schools	\$ 14,336,615	Sampson County Schools	\$ 26,261,789
37 Davie County Schools	\$ 22,492,445	Clinton City Schools	\$ 15,998,950
38 Duplin County Schools	\$ 29,902,301	Scotland County Schools	\$ 20,848,811
39 Durham Public Schools	\$ 74,579,623	Stanly County Schools	\$ 28,117,370
40 Edgecombe County Public Schools	\$ 22,858,158	Stokes County Schools	\$ 21,339,200
41 Winston Salem/Forsyth County Schools	\$ 115,138,510	Surry County Schools	\$ 24,803,090
42 Franklin County Schools	\$ 26,373,996	Elkin City Schools	\$ 12,574,541
43 Gaston County Schools	\$ 73,617,546	Mount Airy City Schools	\$ 13,584,409
44 Gates County Schools	\$ 12,852,982	Swain County Schools	\$ 13,748,565
45 Graham County Schools	\$ 12,217,139	Transylvania County Schools	\$ 16,568,300
46 Granville County Schools	\$ 23,063,872	Tyrrell County Schools	\$ 10,905,972
47 Greene County Schools	\$ 15,624,925	Union County Public Schools	\$ 95,047,118
48 Guilford County Schools	\$ 147,437,672	Vance County Schools	\$ 20,300,241
49 Halifax County Schools	\$ 14,230,642	Wake County Schools	\$ 345,211,857
50 Roanoke Rapids City Schools	\$ 15,404,665	Warren County Schools	\$ 13,123,111
51 Weldon City Schools	\$ 11,317,400	Washington County Schools	\$ 12,025,970
52 Harnett County Schools	\$ 51,257,068	Watauga County Schools	\$ 19,485,697
53 Haywood County Schools	\$ 23,236,340	Wayne County Public Schools	\$ 45,584,351
54 Henderson County Schools	\$ 36,142,290	Wilkes County Schools	\$ 27,117,891
55 Hertford County Schools	\$ 14,623,368	Wilson County Schools	\$ 31,311,130
56 Hoke County Schools	\$ 27,668,539	Yadkin County Schools	\$ 20,339,721
57 Hyde County Schools	\$ 10,922,596	Yancey County Schools	\$ 14,288,823
58 Iredell-Statesville Schools	\$ 53,245,635	Total	\$ 4,000,000,000