From the Desk of Representative

District 37

Proudly Serving Southern Wake County! **July 8, 2026**

This is a Special Edition Legislative Update on the State Budget.

Last weekend's festivities across North Carolina commemorating the 250th anniversary of our nation's independence was outstanding to witness. It was wonderful to celebrate with family and friends, and to reflect on the bold idea that led to the founding of the greatest nation in the world: that free people could chart their own destiny.

I hope you too were able to enjoy and celebrate America's 250th birthday this past weekend.

On Monday of this week, Governor Stein signed the state budget into law. Last week the House passed the final comprehensive state budget with strong bipartisan support 92-22. The Senate passed the budget 36-13.

In this Special Edition Newsletter, I provide you with a deep dive into the highlights of the budget. Remember that last August the General Assembly passed a budget bill that included significant funding items that will not be listed in this budget overview.

Thank you for reading my newsletter for legislative updates and District 37 news.

-Representative Erin Paré

THE STATE BUDGET IN SECTIONS

First up...FINANCE

The Conference Budget establishes a new personal income tax rate reduction schedule, reducing the tax rate from 3.99% to 3.49% in 2027 through 2029; from 3.49% to 3.24% in 2030 through 2032; and from 3.24% to 2.99% in 2033 and after. These rate reductions through 2033 are not contingent on meeting revenue triggers.

The Conference Budget also authorizes two additional 0.25 percentage point rate reductions that are contingent on General Fund revenue exceeding revenue triggers in FY 2033-34 through FY 2038-39, with a terminal rate of 2.49% possible between 2036 and 2040.

Executive Summary:

The Conference Budget contains several tax provisions related to personal income, sales, sports wagering, insurance, and other taxes.

Specifically:

• Repeals conditional personal income tax rate reductions between 2027 and 2034;

• Reduces the personal income tax rate to 3.49% in 2027, 3.24% in 2030, and 2.99% in 2033;

• Authorizes up to two additional 0.25 percentage point reductions in the personal income tax rate between 2035 and 2040 that are subject to General Fund revenue triggers;

• Creates an itemized deduction for gambling losses;

• Increases the sports wagering tax rate from 18% to 23% and changes the allocation of sports wagering tax revenue;

• Establishes a prediction markets tax equal to 6% of net trading fee revenue;

• Repeals a sales and use tax exemption for electricity used in datacenters;

• Adjusts the sales tax refund allowed to a nonprofit hospital or hospital authority and its affiliates, excluding any UNC Healthcare system affiliated or contracted entities, by treating them as one entity for purposes of applying the statutory refund caps;

• Eliminates the Insurance Regulatory Charge paid by insurers while increasing insurance premiums tax rates by an equal and offsetting percentage.

SALARIES AND BENEFITS

Salaries Summary

Teachers and Instructional Support Personnel

The Conference budget appropriates $642.6 M in FY 2026-27 to provide salary increases associated with changes to the teacher salary schedule and other compensation increases. Including step increases, the average teacher salary increase when compared to FY 2025-26 under the revised teacher salary schedule is 8.0% in FY 2026-27.

This is the largest overall teacher pay increase in 15 years, and the largest starting teacher pay increase in 50 years.

These numbers do NOT include local supplements:

• Starting base teacher pay is increased to $48,000 in FY 2026-27.
• $83.4 M for a $1,000 one-time bonus for teachers with 16+ years of experience, and a $500 one-time bonus for teachers with 0-15 years of experience.
• $29 M NR to increase the Teacher Supplement Assistance Allotment for FY 2026-27 and include several counties previously ineligible for the program (Buncombe, Durham, Forsyth, Guilford, and New Hanover).

Other Public School Personnel

The Conference budget provides $186.8 M in FY 2026-27 for salary increases and bonuses to non-teacher public school employees.

Specifically, the Conference budget provides:

• A 3% across-the-board increase in FY 2026-27 for noncertified staff, central office staff, and principals.
• $97.8 M for a $1,750 one-time bonus for employees earning $65,000 or less and a $1,000 one-time bonus for employees earning more than $65,000.
• $17.0 M for a $1,750 one-time bonus for locally and federally funded school nutrition and custodial personnel.

State Employees and Community College Employees

The Conference budget appropriates a total of $1.4 B in FY 2026-27 additional net appropriations to provide salary increases and bonuses for State employees and State-funded local employees.

Specifically:

• A 3% across-the-board increase in FY 2026-27 for most State agency employees, University employees, and State-funded Community College employees.

• $117.8 M for law enforcement related salary increases, including:

- 13% increase for most State sworn law enforcement personnel and correctional officers.
- 15% increase for sworn members of the State Highway Patrol.
- 16.2% increase for sworn law enforcement of the State Bureau of Investigation and Alcohol Law Enforcement paid per an experience-based salary schedule.
- 6.5% increase for probation and parole officers.
- Funding to address compression for civilian and sworn members of SBI not paid per an experience-based salary schedule, civilian members of the State Highway Patrol, certified Department of Adult Correction personnel, and Juvenile Justice personnel.

• $147.1 M for a $1,750 one-time bonus for employees earning $65,000 or less and a $1,000 one-time bonus for employees earning more than $65,000.
• $40.1 M for a $1,750 one-time bonus for local law enforcement.
• Additional salary increases for: Forestry fire personnel, Magistrates, Elected Clerks of Superior Court, and nurses and health care technician personnel.

<u>Benefits Summary</u>

The Conference budget provides additional net appropriations of $310.8 M in FY 2026-27 to support increasing costs associated with benefits provided to State-funded employees and to enhance benefits.
In summary, the Conference budget provides the following:

• $109.8 M to increase employer premiums to the State Health Plan for active employees.
• $102.7 M to increase contributions to State retirement systems and the Retiree Health Benefit Fund for retiree medical benefits.
• $98.3 M to provide a 2.5% one-time supplement (bonus) in fall 2026 to State retirees.
• $9 increase in the monthly Firefighters' and Rescue Squad Workers' Pension Fund benefit from $175 to $184. This increase requires no additional appropriation.
• $5 increase in the lowest monthly National Guard Pension Fund benefit from $105 to $110 and $10 increase in the highest monthly benefit from $210 to $220. This increase requires no additional appropriation.

EDUCATION

Major highlights of the Education budget in the Department of Public Instruction (DPI) section include additional funding for the Advanced Teaching Roles (ATR) program for teacher salary supplements and grants to expand the program into additional districts.

The budget also provides funding for literacy and mathematics initiatives, including expanded diagnostic assessments and literacy professional development for middle school teachers. In addition, the budget revises two K-12 allotment formulas, streamlining the Limited English Proficient (LEP) allotment and reducing volatility in the Low-Wealth allotment, while capping future Low-Wealth funding at FY 2026-27 levels.

All other public school allotment formulas are funded at the legislatively mandated levels, including adjustments based on enrollment and average salaries.

In the Community College section, the budget provides funds to support the new Propel NC workforce sector funding model. It also supports Information Technology (IT) projects, including additional funds for a new Enterprise Resource Management (ERP) system and new funding for a Customer Relationship Management (CRM) system.

The budget also fully funds the annual enrollment growth adjustment and reduces performance funds allocated to community colleges.

In the University of North Carolina (UNC) section, the budget makes investments to increase the healthcare workforce by providing funds to expand degree programs and for medical training and education. It also makes investments in merit scholarships and certain degree programs at UNC constituent institutions, while providing funds to the North Carolina Collaboratory (Collaboratory) for various environment, education, and health research initiatives. The budget also provides funding for enrollment growth at UNC constituent institutions and for operation and maintenance of completed building projects.

NC Community College System (NCCCS) Committee Report Items

• Provides $57.5 million in recurring funds to reorganize course tiers by workforce sector as part of the Propel NC funding model, including $39 million to shift courses to higher value sectors and $18.5 million to create funding parity between Workforce Continuing Education and Curriculum courses.
• Provides $6.0 million in nonrecurring funds to establish an enrollment increase reserve for community colleges with eligible enrollment increases that exceed budgeted enrollment levels as part of the Propel NC funding model.
• Provides $10.0 million in nonrecurring funds to implement a system-wide CRM system.
• Provides $3.2 million in recurring funds to support 18 FTE at Apprenticeship NC that were previously supported with federal receipts.
• Provides $3.9 million in recurring funds to expand workforce training programs for students with intellectual and developmental disabilities at up to 10 additional community colleges.
• Provides $6.0 million in nonrecurring funds to assist community colleges in starting programs in high-demand career fields.
• Reduces $18.0 million in recurring funds that are allocated to community colleges based on accountability measures and performance standards.
• Allocates $25.0 million in nonrecurring funds to upgrade ERP systems at individual community colleges.

Special Provisions

- Directs the State Board of Community Colleges (SBCC) to revise its current funding model to allocate funds to colleges based on enrollment in workforce sectors organized by labor market category and salary data to implement the Propel NC funding model. The provision also authorizes the SBCC to allocate excess receipts from tuition and fees to community colleges for operating costs and establishes the enrollment increase reserve.

Department of Public Instruction (DPI) Committee Report Items

- Provides $30.0 million in recurring funds for salary supplements of up to $10,000 for teachers currently serving in advanced roles in the ATR program. An additional $2.0 million recurring is provided for grants to expand the Advanced Teaching Roles program.
- Provides $13.8 million nonrecurring funds in FY 2026-27 to provide literacy professional development in the Science of Reading to all middle school teachers.
- Provides $6.0 million recurring for a math diagnostic screener in grades K-8 in low-performing schools and $1.4 million recurring to expand the reading diagnostic currently used in K-3 to 4th and 5th grade.
- Provides funding for several competency-based education initiatives, including $5.3 million nonrecurring for a competitive grant program, $4.5 million recurring for SparkNC, a program that provides competency-based CTE lab programs, and $4.0 million nonrecurring for a high school healthcare and high-tech pathways program.
- Provides $4.0 million in nonrecurring funding to DPI to support automatic external defibrillator (AED) purchases, replacement, and cardiac emergency response training, with priority given to ensuring each public school has at least one AED.
- Provides $4.2 million nonrecurring to the North Carolina Center for the Advancement of Teaching (NCCAT) for operating and start-up costs associated with the Cullowhee NCCAT campus expansion.

Special Provisions

- Revises the allotment formulas for LEP students and low-wealth supplemental funding by simplifying the LEP formula to a headcount-based allocation and, beginning in FY 2027-28, limiting year-over-year changes in low-wealth county allocations to reduce volatility while capping total funding at the FY 2026-27 appropriation level.
- Includes expansion of literacy initiatives, including requiring school districts to create individual reading plans for 4th and 5th grade students, directing the State Board of Education to establish literacy standards for grades 6 to 8, and providing Science of Reading professional development to all middle school teachers.
- Amends the ATR program by expanding and redefining the advanced teaching roles, changing the implementation formula that outlines how districts expand the program, and adding structure and limits for ATR grant funding.
- Establishes the Foundational Mathematics Instruction program for low-performing schools beginning in the 2028-29 school year, requiring mathematics screening assessments for K-8 students, Mathematics Success Plans (MSPs), and at least 60 minutes of daily mathematics instruction.
- Requires the State Board of Education to develop and implement K-12 artificial intelligence (AI) literacy standards beginning in the 2028-29 school

year. The provision also mandates AI use policies for all public school units (PSUs) and requires AI-related teacher professional development.
• Requires DPI to develop a plan as part of the School Business Modernization project to transition all PSUs to a single statewide enterprise resource planning (ERP) platform under a statewide contract.
• Designates $35.8 million in Opportunity Scholarship-related savings that are generated when awards provided to prior public school students are less than the average State per-pupil allocation, and redirects those funds to specific public school uses, including bonuses for school nutrition and custodial staff, middle school literacy professional development, and a mathematics curriculum initiative for grades K–8.

University of North Carolina (UNC) Committee Report Items

• Provides $10.0 million recurring and $10.0 million nonrecurring to develop and expand healthcare degree programs at UNC constituent institutions.
• Budgets an additional $4.9 million recurring and $4.5 million nonrecurring to the UNC System Medical Education and Training Fund to support training and residency programs across the State.
• Continues support for the NC Promise Tuition Plan program by providing $5.0 million recurring to cover additional costs of the "buy down" from increased enrollment and $3.0 million nonrecurring to create a contingency reserve.
• Provides funds for merit scholarships, including an additional $3.2 million recurring for Cheatham-White Scholarships at North Carolina Central University, NC A&T University, and Winston-Salem State University and $5.0 million nonrecurring to create endowed scholarships at East Carolina University.
• Provides an additional $17.6 million recurring to the Personal Education Student Accounts for Children with Disabilities Program (PESA) to offer awards to eligible families currently on the waitlist for the 2026-27 school year.
• Provides funds to the Collaboratory for various environment, education, and health initiatives, including $15.0 million nonrecurring related to PFAS as it impacts firefighters, $10.0 million to acquire and adapt a K-8 math curriculum developed by another state, and $10.0 million nonrecurring for opioid research programs.
• Provides funds to support specific degree programs, including $5.0 million recurring to UNC Chapel Hill for the School of Civic Life and Leadership, $5.0 million recurring to NC State University to expand the College of Engineering, and $2.5 million recurring and $500k nonrecurring to UNC Charlotte to enhance data science programs and battery engineering and recycling initiatives.
• Provides $10.6 million recurring for NC A&T University to increase research spending and doctoral degrees to achieve R1 designation.

Special Provisions

• Modifies powers and duties of the Collaboratory with changes that include adding purchasing flexibility, clarifying how and when State and local governments must provide access to the Collaboratory, and includes Collaboratory employees in legislative confidentiality.
• Increases nonresident tuition at NC Promise institutions from $3,500 to $4,000 per semester for new students, beginning in the 2027-28 academic year.
• Exempts disciplinary records that reveals personally identifiable information about a student held by public institutes of higher education from the definition

of a public record.
• Directs the Collaboratory to fund research grants on emerging contaminants, requires the Department of Environmental Quality (DEQ) to collect samples of certain water discharges that the Collaboratory will analyze, and creates a new fund in the Division of Water Infrastructure at DEQ to provide grants to utilities for emerging contaminant mitigation.

HEALTH AND HUMAN SERVICES

Major highlights of the Health and Human Services budget include investments in the State Medicaid program by providing funds for the Medicaid rebase, as well as funds to increase reimbursement rates for personal care services and wages for workers who provide services under the Innovations waiver.

In other Department of Health and Human Services (DHHS) divisions, new funding is provided to support opioid abatement-related activities and to invest in the State's Supplemental Nutrition Assistance Program (SNAP) to comply with program changes resulting from federal P.L. 119-21 (H.R. 1), including increased funding for administration of the program and additional staff to help reduce the State's payment error rate.

Additional federal block grant funds are budgeted for the Child Care Subsidy program to increase rates and implement a statewide rate floor. To help fund these initiatives, numerous General Fund reductions are taken. Savings are generated by requiring the elimination of some of the department's vacant positions, using alternate funding sources to replace General Fund appropriations, and reducing base budget amounts for some programs.

<u>SNAP - Multiple Divisions</u>

Committee Report Items

• Provides $12.0 million in recurring funds to DHHS to offset the loss of federal receipts due to changes to the administrative cost-sharing requirements for SNAP resulting from H.R. 1. Effective October 1, 2026, the nonfederal share of SNAP administrative costs will increase from 50% to 75%.
• Provides $2.9 million recurring and $2.5 million nonrecurring for various efforts intended to reduce the State's SNAP payment error rate (PER) in response to program changes under H.R. 1.

Funded initiatives include:

• Enhancements to North Carolina Families Accessing Services through Technology (NC FAST), the State's electronic case management system for SNAP.
• 32 new positions across various divisions, whose work will include providing on-site, comprehensive assessments of county SNAP program practices, bolstering the State's SNAP Quality Control Program and performing root cause reviews of payment errors, designing and maintaining up-to-date policy documents, and increasing training and technical assistance to county departments of social services.
• Adjusts the budget to reflect a $52.0 million increase in county SNAP administration costs due to changes to the administrative cost-sharing

requirements for SNAP resulting from H.R. 1. Effective October 1, 2026, the nonfederal share of SNAP administrative costs will increase from 50% to 75%.

Special Provisions

• Describes the methodology through which DHHS will calculate amounts that shall be withheld from counties' sales tax allocations to fund the State's SNAP benefit cost-share, which is anticipated to begin in State Fiscal Year 2027-28. H.R. 1 mandates that, effective October 1, 2027, states with a PER greater than 6% will be required to fund a portion of the benefit amounts. The provision also directs how the Department of Revenue will manage the withholding and transfer of funds.

<u>Division of Central Management and Support</u>

Committee Report Items

• Directs DHHS to eliminate enough vacant positions throughout the Department to achieve a $35.4 million recurring net General Fund savings. This amount is equivalent to net General Fund appropriations budgeted for positions vacant for at least two years and at least 50% funded with State General Fund dollars as of April 30, 2026.
• Provides $14.2 million recurring for the Transitions to Community Living Initiative, the program through which the State is complying with the 2012 US Department of Justice settlement.
• Provides $4.2 million recurring for the costs to operate and maintain the Partnership and Technology Hub North Carolina (PATH NC), which is the State's child welfare information system that is scheduled to be fully implemented statewide by the end of 2026.

<u>Division of Child and Family Well-Being</u>

Committee Report Items

• Provides $5.0 million in nonrecurring funds for the nonfederal administrative match for SUN Bucks, which provides $120 per eligible child to purchase food during the summer months when schools are out.

<u>Division of Child Development and Early Education</u>

Committee Report Items

• Provides an additional $100.8 million from various federal block grants for subsidized childcare. Funds will go towards increasing provider reimbursement rates, implementing a statewide rate floor, and decreasing waitlists.

<u>Division of Health Benefits</u>

Committee Report Items

• Provides $847.2 million recurring and $200.0 million nonrecurring for the Medicaid rebase. Nonrecurring funds are provided from the Medicaid Contingency Reserve.
• Provides $70.8 million recurring to increase Medicaid provider reimbursement rates for personal care services (PCS) to an estimated $30 per hour of billed

service.
• Provides $21.3 million recurring to increase the wages of workers who provide services to individuals on the Innovations waiver by an estimated average increase of $1/hr.
• Provides $208.5 million from the ARPA Temporary Savings Fund for a children's hospital to be built in the Triangle area.

Special Provisions

• Imposes 2 one-time add-ons to the hospital assessment formulas to recapture a total of $23.6 million in hospital receipts that were not previously collected due to timing issues. The receipts will be used to support FY 2026-27 Medicaid costs.
• Establishes a 5-year pilot program, beginning in 2028, directed at containing Medicaid costs for skilled nursing facilities.
• Continues an exemption from Medicaid copayments for all services provided under the Innovations and Traumatic Brain Injury (TBI) waivers.
• Adjusts the frequency of reapproval required for individualized service plans with more than 16 hours of research-based behavioral health treatment (RB-BHT) services from monthly to every three months and requires Medicaid prepaid health plans (PHPs) to develop and maintain closed provider networks for peer support services and RB-BHT services.

Division of Mental Health/Developmental Disabilities/Substance Use Services

Committee Report Items

• Provides $77.7 million for over 60 initiatives related to the prevention of and treatment for opioid use disorder. Initiatives include research, toxicology testing, and directed grants to nonprofits and local governments.

• Provides $12.7 million recurring to support the operations and maintenance of electronic health records at State-operated healthcare facilities.

Division of Public Health

Committee Report Items

• Provides $700,000 in recurring funds to increase the fee paid to county medical examiners under G.S. 130A-387 from $200 to $400. This fee was last increased in 2015.

Division of Social Services

Committee Report Items

• Provides $9.1 million nonrecurring for food banks throughout the State.
• Provides $550k recurring to establish a 6-person Child Welfare Escalation Team, which will provide an additional level of review and quality assurance to reports of abuse or neglect that involve a juvenile in a high-risk home, and $100k nonrecurring to develop and disseminate training for county child protective services employees.

Special Provisions

• Establishes the purpose, procedures, and responsibilities under which the 6-person Child Welfare Escalation Team operates, which entails providing an additional level of review and quality assurance to reports of abuse or neglect that involve a juvenile in a high-risk home. This provision also directs the Division of Social Services to develop and disseminate abuse and neglect recognition training for county child protective services employees.

AGRICULTURE, NATURAL, ECONOMIC RESOURCES

Major highlights of the AgNER section of the budget include additional funding for land conservation through the Farmland Preservation fund, significant additional funding for parks and State attractions in the Department of Natural and Cultural Resources, and support for economic development through investments in marketing and the Selectsites program.

The budget also includes $615 million in State and federal funds for water and wastewater infrastructure.

Department of Agriculture and Consumer Services (DACS)

Committee Report Items

• Provides $4.5 million recurring for Forestry to support emergency response needs and the aviation division.
• Provides $2 million recurring and $46.9 million nonrecurring for the Farmland Preservation Trust Fund.
• Provides $5 million nonrecurring for the Tobacco Trust Fund.

Department of Commerce

Committee Report Items

• Provides $2 million recurring for the NC Biotechnology Center.
• Provides an additional $4 million for the Economic Development Partnership of NC (EDPNC).
• Provides $13 million nonrecurring each for tourism and business marketing.
• Provides $25 million nonrecurring for the Selectsites Readiness Program.

Special Provisions

• Creates the Micro-Budget Production Grant Fund within the Film and Entertainment Grant Fund to support smaller film industry productions within the State.
• Appropriates $133.9 million from the Economic Development Project Reserve for acquisition and site work at the JetZero project site.
• Expands the Job Maintenance and Capital Development (JMAC) grant program to support a pharmaceutical manufacturing employer investing in a water and wastewater treatment project.

Department of Environmental Quality (DEQ)

Committee Report Items

• Provides $1 million recurring and $2 million nonrecurring to implement the Water Safety Act to continue the State's efforts to address emerging contaminants.
• Provides $57.5 million nonrecurring for two new water infrastructure grant programs, one to address emergency situations for privately operated infrastructure and one to address emerging contaminants.
• Provides $200,000 recurring and $10 million nonrecurring for the Bernard Allen Drinking Water Fund.
• Provides $5.4 million nonrecurring for the continued implementation of the Flood Resiliency Blueprint.
• Provides $45 million nonrecurring to match $226 million in federal State Revolving Fund money for water infrastructure grants and loans. A total of $557 million in State and federal funds is appropriated for the Drinking Water and Clean Water SRFs.

Special Provisions

• Adds inundation mapping and technical assistance to the allowable uses of the Dam Safety Emergency Fund, and exempts the provision of those services from the Umstead Act.
• Requires DEQ to complete an update of the Beach and Inlet Management Plan by July 1, 2027.

<u>Department of Labor</u>

Committee Report Items

• Provides $1 million recurring for six additional positions in Occupational Safety and Health Consultative Services.

Special Provisions

• Creates the Building Codes and Interpretations Bureau in the Department of Labor, and moves the Building Code and Residential Code Councils to Labor from the Office of the State Fire Marshal.

<u>Department of Natural and Cultural Resources (DNCR)</u>

Committee Report Items

• Provides $23.7 million recurring to resolve structural budget deficits in motor fleet, temporary employees, insurance, parks personnel costs, and other operating needs.
• Provides $10.9 million recurring and $7.2 million nonrecurring to operate new facilities at Fort Fisher State Historic Site, Fort Fisher Aquarium, the Transportation Museum, several State Parks, and Zoo - Asia.
• Provides $15 million nonrecurring for the Complete the Trails and Great Trails grant programs.

Special Provisions

• Allows DNCR to hire temporary employees directly for divisions in the Department with annual seasonal employment needs.

Wildlife Resources Commission (WRC)

Special Provisions

• Directs WRC to partner with the NC Coastal Federation for abandoned and derelict vessel (ADV) removal. Funds for ADV removal will be generated from increases to motorboat registration fees, which will result in an additional $1 million annually

JUSTICE AND PUBLIC SAFETY

Major highlights of the Justice and Public Safety budget include $160 million to close shortfalls at the Department of Adult Correction, nearly $59 million for Indigent Defense Services to raise attorney pay, $30 million in school safety grants, $12.7 million for VIPER capital and operating needs, and $6 million for Juvenile Justice community programs.

To address IT needs, the budget provides $18 million for an offender management system, $11 million for court technology, $11 million for the State Bureau of Investigation (SBI), and $3 million for the State Highway Patrol's data center.

The budget provides support for additional personnel, adding 26 FTE at the SBI, 76 FTE at courthouses Statewide, and 10 capital appellate attorneys at the Department of Justice.

Administrative Office of the Courts (AOC)

Committee Report Items

• Provides $5.8 million recurring for 44 Deputy Clerks and 18 Assistant District Attorneys.
• Provides $8.4 million recurring for information technology expenses and 14 FTE to support the newly independent Council of District Attorneys.
• Increases the telecommunications court fee applied to all court cases by $10, generating $11 million annually for court technology.

Special Provisions

• Establishes the Council of District Attorneys as an independent department within the Judicial Branch, effective July 1, 2027.
• Creates a new court program to more timely resolve complex family financial cases.
• Increases General Court of Justice fees applied to all court cases by $30. The last major increase occurred in 2011. The increases are estimated to increase receipts to the General Fund by $21 million annually.
• Directs up to $15 million annually from Interest on Lawyer Trust Accounts (IOLTA) to compensate attorneys representing indigent defendants.

Indigent Defense Services (IDS)

Committee Report Items

• Provides $51.3 million recurring and $7.3 million nonrecurring in additional revenue for the Private Assigned Counsel fund. This eliminates the operating shortfall and allows for hourly rate increases of $30.

Department of Adult Correction (DAC)

Committee Report Items

• Provides $40 million in recurring funds and $80 million in nonrecurring funds to address operating shortfalls across the Department. Also eliminates 574 vacant positions to generate $40.3 million recurring that is reallocated to support the Department's medical, pharmacy, and food service budgets.
• Allocates $18 million nonrecurring towards modernizing DAC's offender management system.
• Provides $12 million nonrecurring for prison safety and security equipment such as rounds tracking software, vehicle cameras, contraband detection scanners, and officer body armor.
• Provides $3 million in nonrecurring funds to update and replace medical equipment.
• Provides $1.6 million nonrecurring for partner local re-entry councils.

Special Provisions

• Makes changes related to DAC property valuations and sales by requiring appraisals of certain properties, prohibiting the sale of certain properties without NCGA approval, and returning the proceeds of property sales to the General Fund.

Department of Justice (DOJ)

Committee Report Items

• Provides $4.5 million nonrecurring for 10 time-limited attorney positions that will address capital criminal appeal cases in support of Iryna's Law.

Department of Public Safety (DPS)

Committee Report Items

• Provides $2 million nonrecurring for Emergency Management's communication and disaster IT systems.
• Provides $6.8 million nonrecurring for the National Guard to purchase VIPER radios and emergency power generators.
• Provides $2 million nonrecurring for referral and retention bonuses for National Guard members.
• Provides $6 million recurring for Juvenile Justice community programs.

Special Provisions

• Makes the appointment of the Adjutant General of the NC National Guard subject to confirmation by joint resolution of the NC General Assembly.

State Bureau of Investigation (SBI)

Committee Report Items

• Transfers the Alternatives to Pre-trial Detention electronic monitoring program from the Criminal Justice Information Network (CJIN) to the SBI and provides an additional $4 million recurring for program operations.
• Provides $3.8 million recurring and $1.9 million nonrecurring for 26 FTE to support the agency's law enforcement and investigative activities.
• Provides $11 million nonrecurring for information technology including data center hardware, system upgrades, and cyber security improvements.
• Provides $30 million nonrecurring to the Center for Safer Schools for school safety grants.

Special Provisions

• Extends the term of the Director of the SBI to June 30, 2033.
• Eliminates CJIN.
• Transfers the Samarcand Training Academy from DPS to the SBI.

State Highway Patrol (SHP)

Committee Report Items

• Provides $3.9 million nonrecurring and $800k recurring for body and car cameras and data storage.
• Provides $3 million nonrecurring for equipment at the Patrol's Data Center.
• Provides $12.7 million for VIPER tower replacements and ongoing maintenance support.

GENERAL GOVERNMENT

Major highlights of the Gen Gov section of the budget include additional funding for major IT projects for 4 agencies, including the Office of Administrative Hearings, the Office of the State Controller, the State Board of Elections, and the Department of Revenue.

The budget also creates an additional 65 positions, offsets rate increases, and supports the operating and maintenance costs of recently completed State projects.

Department of Administration (DOA)

Committee Report Items

• Eliminates the Office of Historically Underutilized Businesses which works to increase opportunities for minorities, women, and persons with disabilities in the State Procurement Contracting Process.
• Increases the cost of divorce filing fees to generate an additional $1.3 million recurring for the State Domestic Violence Center Grant.
• Provides $4.2 million recurring for the Facilities Management Division to support the new Department of Health and Human Services (DHHS) Headquarters and fund increases in utility costs across the downtown Raleigh government complex.

Special Provisions

• Requires Department of Administration to spend no more than $30,000 per car and $55,000 per truck or SUV when adding a car to the central motor fleet, and adds additional reporting requirements on vehicle telematics.
• Transfers ownership of vehicles assigned to the Investigative Services Unit of the State Highway Patrol to the Patrol at no cost to the Patrol.

Office of Administrative Hearings (OAH)

Committee Report Items

• Provides $2 million nonrecurring to replace the rules tracking and case management system for the State.

Office of the State Auditor (OSA)

Committee Report Items

• Provides $4.5 million recurring for various agency expenses including agency leases, litigation costs, and IT improvements, as well as 25 additional positions.
• Provides $2.5 million nonrecurring for the Office of the State Auditor to conduct an audit on the State's Medicaid program due by February 28, 2027.

Special Provisions

• Directs the Office of the State Auditor to conduct various audits including: an assessment of IT security standards across State agencies, a facilities assessment for the Department of Adult Correction, an investigation of the State's Medicaid program, and a review of the State Veterans Home Trust Fund.

Office of State Budget and Management

Committee Report Items

• Provides $700,000 for 7 additional positions for the Grants Management team, which currently administers over 1,500 active grants totaling over $3.8 billion.

Office of the State Controller (OSC)

Committee Report Items

• Provides $10.4 million nonrecurring to replace the State's payroll system.
State Board of Elections (SBE)

Committee Report Items

• Provides $15 million nonrecurring to update the Statewide Elections Information Management System (SEIMS).
• Provides $4.4 million recurring for various agency expenses including litigation costs and IT improvements, as well as 14 additional positions.

Housing Finance Agency (HFA)

Committee Report Items

• Provides $25 million nonrecurring for the Workforce Housing Loan Program and $10 million nonrecurring for the Housing Trust Fund.

Department of Insurance (DOI)

Special Provisions

• Directs the Department of Insurance and the Office of State Fire Marshal to report on all available State property which could fulfill their needs for office space.
• Directs the Department of Insurance to work with the Department of Health and Human Services to study options for insurance programs for child care providers and submit a report by May 1, 2027.

Department of Insurance - Office of State Fire Marshal (OSFM)

Committee Report Items

• Provides $30 million nonrecurring to support the State Property Fire Insurance Fund, which provides comprehensive property insurance for State agencies.
• Provides $4.2 million recurring to support the Emergency Training Center in Stanly County.

Department of Military and Veterans Affairs (DMVA)

Committee Report Items

• Provides $750,000 recurring for 4 positions and to support the ongoing operations and maintenance of the State Veterans Cemeteries.

Special Provisions

• A provision in the Capital section of the bill provides $40 million nonrecurring from the State Capital and Infrastructure Fund (SCIF) for a new Fayetteville State Veterans Home. Once the facility is complete, the Veterans Home Trust Fund must repay the SCIF between $1 million and $15 million each year until the fund is fully reimbursed.

Department of Revenue (DOR)

Committee Report Items

• Provides $9.9 million recurring for updates to the State's returns and payment processing systems.

Secretary of State (SoS)

Committee Report Items

• Provides $1 million recurring for various agency expenses including Motor Fleet rates, Microsoft subscriptions, building security costs, and temporary

employee contracts.
• Provides nearly $700,000 for 8 business support positions to support the business registration and filing process.

INFORMATION TECHNOLOGY AND CAPITAL

Major highlights of the Information Technology budget include additional funding for cybersecurity and data management across State government.

Committee Report Items

• Provides $60 million for new and existing enterprise cybersecurity tools, including $42 million from the Information Technology (IT) Reserve.
• Provides $25 million in funds from the IT Reserve for a new data management model for State government.

Special Provisions

• Directs the Department to establish and maintain standardized identity and access management protocols to enhance system resiliency and security.

SCIF

Committee Report Items

• Provides $200 million for State agency repairs and renovations funding.
• Provides $200 million for UNC system repairs and renovations funding.
• Appropriates $517.6 million in capital for State agencies.
• Appropriates $654.5 million in capital for the UNC system.
• Transfers $33.5 million to match federal funds for Water Resources Development Projects.
• Provides $45.0 million in other capital grants to non-State entities.

TRANSPORTATION

Major budget highlights for Department of Transportation (DOT) include investments in the Division of Motor Vehicles (DMV) by providing additional administrative support positions and expanding the number of driver license examiners.

The budget provides $39.2 million in nonrecurring funds for Ferry Division operations and capital needs. The area budget takes policy measures to ensure long-term vessel replacement by directing the Board of Transportation to implement systemwide tolling and providing flexibility for Ferry Capital Fund spending.

The Department will begin to replace two division maintenance yards with $12.7 million in nonrecurring funds and develop a plan to fund repairs and replace division operations and maintenance facilities across the state.

Finally, this budget appropriates an additional $53.9 million in recurring and nonrecurring funds for highway safety and maintenance and invests an additional $122.1 million in recurring funds in the State Transportation Improvement Program (STIP).

Committee Report Items

• Invests an additional $30.0 million in recurring funds for road maintenance.
• Provides $24.2 million recurring and nonrecurring funds for highway safety measures to reduce vehicle interactions with wildlife and spot specific safety projects designed to reduce crashes and improve safety.
• Provides an additional 30 administrative positions to support DMV oversight and compliance.
• Creates 35 new driver license examiner positions to open two new DMV offices and support extended operating hours at high-volume offices.
• Dedicates $32.0 million in nonrecurring funds for infrastructure improvements and passenger service expansion at regional airports.
• Invests an additional $39.2 million in nonrecurring funds for Ferry Division operations and capital needs, including significant infrastructure upgrades at the Manns Harbor Shipyard.
• Allocates $12.7 million in nonrecurring funds for capital construction and improvements to replace two Highway Division maintenance facilities. The total multi-year cost of these projects is $92.2 million.
• Appropriates $122.2 million in recurring funds to the STIP.

Special Provisions

• Enhance oversight and accountability of current and future disaster recovery spending and federal reimbursements with additional reporting.
• Directs DOT to prepare a cash flow financing plan for capital replacement and repair across the Department’s operating facilities around the State.
• Eliminates the requirement for physical Vehicle Registration Cards and License Plate Stickers and directs the DMV to offer vehicle registration notices, verification, and issuance of registration in an electronic format.
• Directs DMV to pilot in-home driver license renewals in Forsyth County.
• Implements policy measures to ensure long-term ferry marine vessel replacement by directing the Board of Transportation to implement systemwide tolling and providing flexibility for the Ferry Capital Fund spending.
• Enhances oversight and reporting on the financial operations of the North Carolina Railroad Corporation by making them subject to State audit oversight.
• Authorizes the Board of Transportation to implement fees to recover costs for various permitting, inspection, and approval processes.
• Improves highway safety by investing in additional dynamic speed displays for the Department to deploy in highway work zones.
• Promotes oversight and fiscal responsibility of Statewide Mobility transportation projects by ensuring the State is reimbursed for significant preconstruction investments when local planning organizations take unilateral action to prevent mutually agreed to projects from progressing.

The 2026 Short Session House Page Applications are available online beginning **Monday, January 5, 2025**. The Page website can be accessed by visiting the following: https://www.ncleg.gov/House/PageProgram/.

GENERAL INFORMATION:

- Pages may only serve one time in the House.
- Each Representative is allotted **up to 5 Page appointments** during the 2025 Long Session.
- **Current sophomore, junior, and senior high school students will be eligible to apply.**
- Check the House Page website for participant eligibility requirements and available dates to serve as a House Page.
- House Pages are processed on a first-come, first-served basis.
- House Page applications are accepted until all weeks are full.

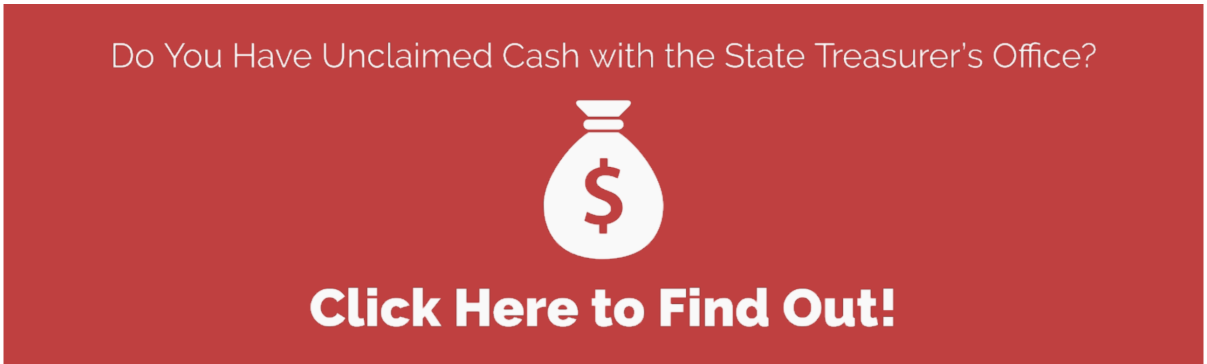
2025-2026 General Assembly Biennium

Rep. Paré introduced, sponsored, or co-sponsored the following bills. [Please find links to all of these bills here.]()

Introduced bills:
HB 14 "Gambling Losses Tax Deduction"
HB 56 "Publish Central Office Employment Information"
HB 59 "Expand Elderly/Disabled Homestead Exclusion"
HB 94 "Dis. Veteran Homestead Excl. Prequalification"
HB151 "SchCalFlex/Wake/CC"
HB156 "Increase Access for Small Employers/Insurance"
HB 173 "Wake County ETJ"
HB 189 "Red Light Camera Interval"
HB 192 "Raise Teacher Pay & Dollar Allotment Study"
HB 352 "Modify Water and Sewage Project Bid Req."
HB 571 "Funds for PTSD Treatment for Police Officers"
HB 672 "Physician Assist. Omnibus/Team based/Compact"
HB 811 "Taxpayer Transparency Act"
HB 837 "Study Alternative Methods for Highway Funding"
HB 896 "Jesse's Law"
HB 1020 "PESA Class Aids and Wartime Veteran Funds"
HB 1042 "Affordable Housing Exemption Modification"

Sponsored bills:
HB 4 "Sam's Law"
HB11 "No Tax on Tips, Overtime, Bonus Pay"
HB 15 "Support Private Property Rights"
HB 46 "Make Heath care Affordable"
HB 76 "Protect Access to In Vitro Fertilization"
HB124 "Adopt Official State Cookie"
HB125 "Adopt Official State Star"
HB137 "Gabe Torres Act"
HB 35 "Establish Military Appreciation Month"
HB 39 "Disabled Veteran Motor Vehicle Tax Exclusion"
HB 67 "Interstate Medical Licensure Compact"
HB118 "Disabled Veterans Tax Relief Bill"
HB133 "NC Farmland and Military Protection Act"
HB 137 "Gabe Torres Act"
HB 186 "Stars and Stripes Commitment Act"
HB 309 "Bldg. Code Fam. Child Care Home Class"
HB 364 "STIP Grant Anticipation Notes"
HJR 379 "Application for a Convention of States"
HB 389 "Child Care Workforce Pilot Program/Funds"
HB 402 "NC REINS Act"
HB 406 "Clarify Motor Vehicle Dealer Laws"
HB 412 "Child Care Regulatory Reforms"
HB 418 "K-5 Performing and Visual Arts Requirement"
HB 465 "Waive Renewal Fee/Military Drivers Licenses"
HB 480 "Medical Board Licensing Efficiency Act"
HB 488 "Modify School Performance Grades"
HB 523 "School Social Workers/Master's Pay"
HB 542 "Child Care Mental and Behavioral Services/Funds"
HB 581 "Career Pathways Transparency Act"
HB 588 "School Psychologist Omnibus"
HB 610 "Study Year-Round School"
HB 611 "Increase AP's in Public School"
HB 794 "Study Highway Patrol Staffing/Salary Scale"
HB 800 "Review Effectiveness & Delivery of Child Care"
HB 814 "Power Infrastructure Resiliency & Eff. (PIRE)"

HB 854 "Require Licensure of Educational Interpreters"
HB 877 "Childcare Pilot"
HB 912 "The Hometown Opp. for Mentoring Educators Act"
HB 1032 "Repeal Two Percent Local Grocery Tax"
HB 1074 "Prescription Drug Expenses Tax Deduction"
HB 1086 "Childcare Initiative Funds/Reform/Study"
HB 1089 "Constitutional Amendment Property Tax Levy Limit"
HB 1110 "Early Intervention School Attendance Pilot"
HB 1124 "Interstate Compact of School Psychologists"
HB 1163 "Workforce Act of 2026"
HB 1192 "Energy and Housing Affordability Act"
HB 1199 "The SEATBELT Act"



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