



Office of **CHARTER SCHOOLS**

NC Department of Public Instruction

2026 State Budget and Legislative Update

This document synthesizes recent legislative action from the North Carolina General Assembly—including the newly enacted **\$34.4 billion state budget ("2026 Appropriations Act" / Session Law 2026-41 / Senate Bill 257)**—and policy guidance issued by the North Carolina Department of Public Instruction (NCDPI). It is designed to provide charter school leaders with a clear, accessible breakdown of key funding changes, operational mandates, compliance requirements, and personnel policies.

1. Financial Allocations, Grants & Teacher Compensation

A. Teacher & Staff Compensation Adjustments (provided as an FYI - charter schools are not required to follow state salary schedules)

The 2026 Appropriations Act (Senate Bill 257 / SL 2026-41) establishes revised salary schedules and bonus structures across public education:

- **Teacher Salary Schedule:** Base starting monthly pay increases to \$4,800 (\$48,000 annually), representing a 17.1% increase for year-0 entry without step (17.7% with step). The top of the scale (25+ years) increases to \$5,900 monthly (\$59,000 annually). The statewide average teacher increase is 8.0%, with a total state implementation cost of \$528.0 million.
- **Teacher Experience Bonuses:** Teachers with more than 15 years of experience receive a \$1,000 bonus; those with 15 or fewer years receive a \$500 bonus.
- **Non-Teacher Salaries & Low-Income Bonuses:** Principals, central office staff, and non-certified staff receive a 3% salary increase. Employees earning under \$65,000 receive a \$1,750 bonus (\$1,000 bonus for higher incomes).
- **School Nutrition & Custodial Personnel:** Allocates \$17 million in nonrecurring funds for one-time bonuses to locally and federally funded school nutrition and custodial employees. Must be directly employed by district.

B. Complete Monthly Teacher Base Salary Schedule (FY 2026–27 vs. FY 2025–26)

Years of Experience	FY 2025–26 Monthly Base	FY 2026–27 Monthly Base	% Change (w/o step)	% Change (w/ step)
0	\$4,100	\$4,800	17.1%	17.7%
1	\$4,175	\$4,825	15.6%	16.2%
2	\$4,250	\$4,850	14.1%	14.7%
3	\$4,325	\$4,875	12.7%	13.3%
4	\$4,400	\$4,900	11.4%	12.5%
5	\$4,475	\$4,950	10.6%	11.7%
6	\$4,572	\$5,000	9.4%	10.5%
7	\$4,663	\$5,050	8.3%	9.4%
8	\$4,753	\$5,100	7.3%	8.4%
9	\$4,844	\$5,150	6.3%	9.7%
10	\$4,935	\$5,314	7.7%	8.7%
11	\$5,025	\$5,365	6.8%	7.8%
12	\$5,116	\$5,416	5.9%	6.9%
13	\$5,206	\$5,467	5.0%	7.0%
14	\$5,297	\$5,570	5.2%	7.3%
15	\$5,388	\$5,682	5.5%	5.5%
16–23	\$5,388	\$5,682	5.5%	5.5%
24	\$5,388	\$5,682	5.5%	9.5%
25+	\$5,595	\$5,900	5.5%	5.5%

C. Exceptional Children (EC), Target Allocations & Grant Programs

- **Catch-Up EC Allocation (\$4.1M):** NCDPI must allocate \$4.1 million to charter schools that did not receive pro rata funding for students with disabilities who enrolled during the first 60 days of the 2025–26 school year. By October 1, 2026, NCDPI will publish the application/disbursement process, providing at least 30 days for schools to submit data.
- **Recurring EC Headcount Adjustment:** State law requires the State Board of Education (SBE) to adjust ongoing EC funding during the fiscal year based on the federal headcount required by 20 U.S.C. § 1412(a)(3) to prevent future underfunding.
- **Limited English Proficiency (LEP) Allotment:** SBE is mandated to allocate funds to public school units, including charter schools, to provide services to students with limited English proficiency (effective 2026–27 school year). Enacts \$142,000 in nonrecurring

funds to revise formula calculations.

- **Economically Disadvantaged Support Fund:** Increased by \$2 million, bringing total funding to \$6 million.
 - **Remote Charter Academies:** Beginning with the 2027-2028 school year, clarifies that statewide remote charter academies approved to operate pursuant to G.S. 115C-218.120(b)(1), the average State per pupil allocation for average daily membership for each child attending the charter school except for the allocation for children with disabilities and for the allocation for children with limited English proficiency.
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2. Statutory Mandates & School Operations

A. Eliminating "DEI" & Divisive Concepts (Senate Bill 227 / SL 2026-20)

Senate Bill 227 took effect immediately upon enactment on June 24, 2026. Key provisions and administrative compliance requirements include:

- **Prohibited Office Names & Operations:** Public school units cannot maintain offices, divisions, or units named or referred to as "diversity, equity, and inclusion" (DEI) or assign staff specifically to promote prohibited concepts.
- **Divisive Concepts & Instruction:** Prohibits compelling staff or students to profess belief in, or providing instruction/professional development that advocates for, 13 statutorily defined "divisive concepts" (e.g., that one race/sex is inherently superior, or that moral character/guilt is determined by race/sex).
- **Curriculum Scope & Civil Rights Protections:** NCDPI guidance clarifies that educators may continue teaching current events, controversial history, slavery, civil rights, and state standards neutral to ideology. Federal civil rights compliance (Title VI, Title IX, Section 504, IDEA) remains fully mandatory.
- **Compliance Certification:** Charter governing boards must certify compliance in writing to NCDPI annually by **September 1**. This will be communicated via OCS Newsletters.
- **Preliminary Guidance:** Reference email sent to all PSUs from Superintendent Green on July 20, 2026.

B. Health, Safety & Student Welfare Mandates

- **Cardiac Emergency Response Plan & AEDs (\$4M Allocation):** Beginning with the 2026–27 school year, all charter schools must adopt a comprehensive cardiac emergency response plan covering the installation, maintenance, and use of Automated External Defibrillators (AEDs). The budget allocates \$4 million to NCDPI for AED purchase, installation, and cardiac response training.
- **Suicide & Crisis Lifeline Display Mandate:** Effective 2026–27, schools must annually verify and display current crisis hotline contacts (**988 Lifeline**: call 988 or text HOME to 741741; **NC Peer Warmline**: 855-733-7762). Information must be posted across:
 - New student ID cards (grades 6–12)
 - School website
 - Home screen of any electronic device issued to students
 - Digital and printed school agendas and calendars
 - Documents distributed during suicide awareness activities
 - Student registration documents
- **Diabetes Education & Notification:** Beginning with the 2026–27 school year, public school units must inform parents/guardians about Type 1 and Type 2 diabetes at the start of every school year, detailing:

- Descriptions of Type 1 and Type 2 diabetes
- Risk factors and warning signs
- Recommendations to consult a physician if symptoms exhibit and develop a treatment plan upon diagnosis
- Descriptions of the screening process and stages of diabetes
- Notification that the school is required to assist students with diabetes
- **Meal Debt Administrative Restrictions:** Charter schools operating a school nutrition program cannot impose administrative penalties or offer alternate/degraded meals to students based on unpaid meal debt or pay status (effective 2026–27).

C. Academic Policies, AI Literacy & Governance

- **Artificial Intelligence (AI) Policy & Literacy Mandate:**
 - NCDPI must develop a model AI policy covering AI tool definitions, AI literacy guidance, and academic integrity by **December 31, 2026** (accessible to PSUs by **January 15, 2027**).
 - All charter school governing bodies must review NCDPI's model policy and formally adopt an AI usage policy for students and staff by **June 30, 2027**.
- **Released Time Religious Instruction:** Beginning in 2026–27, charter school boards must adopt a policy requiring principals to excuse student absences to attend released-time religious instruction. The PSU shall authorize excused absences for at least one, but no more than four, hours per calendar week.
- **Parents' Access to Instructional Materials:** Broadens parents' legal right to inspect school curriculum from "textbooks" to all "instructional materials" (effective 2026–27).
- **Foundational Mathematics (Low-Performing Schools):** Charter schools designated as low-performing must implement mathematics screening assessments and success plans consistent with state law starting in the 2028–29 school year. NCDPI will select an assessment vendor by January 15, 2028, making screeners available by the start of 2028–29.

3. Administrative, Audit, Research & Licensing Modifications

- **Financial Audit Submissions:** Beginning with the 2026–27 school year, charter schools are granted a minimum of 6 months following fiscal year-end to submit required financial audit reports (unless required earlier for charter renewal). The Charter Schools Review Board is given explicit authority to grant deadline extensions.
- **NC Collaboratory Studies:** Directs the NC Collaboratory (UNC-Chapel Hill) to conduct two major education policy initiatives:
 1. Study full open enrollment for all public schools.
 2. Establish a workgroup to study and develop a strategy to transition North Carolina to a weighted student funding model for K–12 public education.
- **Health Benefit Fund Contribution Waiver (S449v5 added subsection (b1) to S.L. 2025-89 Section 3.6):** For the 2025–26 fiscal year only, the State Treasurer waives 2.4% of relevant salaries for employer contributions to the Public Employee Health Benefit Fund for non-TSERS participating charters. Waivers shall cease on June 30, 2026, and payment in full shall again be required for all qualifying entities for amounts due for the 2026-2027 fiscal year.

- **Teacher Licensure Reciprocity & Conversion:** Streamlines CPL reciprocity for out-of-state teachers with 3+ years experience. Teachers with Limited Licenses can convert to CPL via positive EVAAS growth scores for 2 of the 3 most recent years. Eliminates the Praxis Core requirement for EPP entry. Expands K-6 teaching license to include grades 7-8.
- **Statewide ERP Platform Transition Plan:** NCDPI will present a plan by **November 1, 2026**, to transition all public school units to a single Enterprise Resource Planning (ERP) platform under a statewide contract.

4. Key Action Items & Compliance Calendar

Deadline / Effective Date	Responsible Entity	Required Action Item
Immediate	Charter Leadership & Board	Audit internal organizational charts, titles, professional development, and offices to ensure compliance with DEI and divisive concept restrictions (SB 227).
2026–27 School Year Start	Charter School Administration	• Distribute annual Diabetes Education notifications to parents detailing risk factors, screening, and school supports. • Implement Cardiac Emergency Response Plan & AED protocols (leveraging \$4M NCDPI grant funding). • Enforce school meal debt protections (no alternate meals or administrative penalties). • Adopt Released Time Religious Instruction excused absence policy. • Publish 988 Suicide & Crisis Lifeline / NC Peer Warmline contacts on IDs (6–12), website, devices, agendas, and registration forms. • Implement expanded

Deadline / Effective Date	Responsible Entity	Required Action Item
		Parents' Access to Instructional Materials policy.
September 1, 2026	Charter Governing Board	Submit initial annual written certification of SB 227 compliance to NCDPI. You will receive this form via OCS newsletters. Please ensure you are subscribed.
October 1, 2026	NCDPI / Charter Finance	NCDPI publishes instructions for the \$4.1M Exceptional Children catch-up allotment; schools receive 30+ days to submit claims.
November 1, 2026	NCDPI / Technology Ops	NCDPI submits statewide transition plan for a unified PSU Enterprise Resource Planning (ERP) system contract.
December 31, 2026 / January 15, 2027	NCDPI	NCDPI completes model AI policy by Dec 31, 2026, and provides PSU access by Jan 15, 2027.
June 30, 2027	Charter Governing Board	Formally adopt school policy on Artificial Intelligence usage for staff and students following review of NCDPI's model policy.
January 15, 2028	NCDPI	NCDPI selects vendor for foundational math screening assessments.
2028–29 School Year	Low-Performing Charters	Implement mandatory math diagnostic screeners, success plans, and 60-minute daily instruction blocks.