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August 19, 2025

## VIA ELECTRONIC MAIL

The Honorable Dean Arp Senior Chair House Appropriations Committee 300 N. Salisbury Street, Rm. 307A Raleigh, NC 27603-5925

The Honorable Donny Lambeth Senior Chair House Appropriations 300 N. Salisbury Street, Rm. 303 Raleigh, NC 27603-5925

The Honorable Ralph Hise Chair Senate Appropriations/Base Budget Comm. 300 N. Salisbury Street, Rm. 300-A Raleigh, NC 27603

The Honorable Michael Lee Chair Senate Appropriations/Base Budget Comm. 300 N. Salisbury St., Rm 300-B Raleigh, NC 27603-5925 The Honorable Kyle Hall Senior Chair House Appropriations Committee 300 N. Salisbury Street, Rm. 305 Raleigh, NC 27603-5925

The Honorable Larry Strickland Senior Chair House Appropriations 300 N. Salisbury Street, Rm. 304 Raleigh, NC 27603-5925

The Honorable Brent Jackson Chair Senate Appropriations/Base Budget Comm. 16 West Jones Street, Rm. 2022 Raleigh, NC 27601

Dear House Appropriations Committee Senior Chairs and Senate Appropriations/Base Budget Committee Chairs,

As the 2025-26 school year gets underway for North Carolina public schools, I wanted to be sure the North Carolina General Assembly is aware of some budgetary plans that should help make this year be more successful.

Since July 1, 2025, the NC Department of Public Instruction (NCDPI) has paused all contracts and funding allotments for Fiscal Year (FY) 2025-26 that were proposed to be reduced or eliminated in either the House or Senate versions of Senate Bill 257 ("2025 Appropriations Act"). This decision was made based on guidance from the Office of State Budget and Management (OSBM) and the need for NCDPI to be conservative in managing taxpayer funds while awaiting a new state budget for the 2025-27 biennium.

## OFFICE OF STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

The contracts and funding allotments that have been paused since July 1, 2025 include:

- Central Office Allotment \$5,524,010
- Low Wealth/Small County Recruitment Bonus \$2,000,000
- Advanced Placement (AP) Test Fees \$14,000,000
- International Baccalaureate (IB) Test Fees \$1,800,000
- Master of School Administration (MSA) Intern Stipend \$6,236,038
- Mobile Coding Grant Program \$800,000
- Child and Family Support Teams \$13,917,965<sup>1</sup>
- Small Specialty High Schools \$1,817,968
- Learn and Earn \$1,000,000
- Learning.com \$4,000,000
- Plasma Games \$1,800,000
- Advanced Placement (AP) Partnership \$1,500,000
- TeachNC \$980,000
- NC Association of School Business Officers \$2,225,000
- Beginnings for Parents of Children Who are Deaf or Hard of Hearing \$1,504,216
- Schools that Lead \$350,000
- Distribution through the At-Risk Allotment formula of the At-Risk Allotment funding set-aside in S.L. 2023-134 for the Extended Learning and Integrated Student Supports (ELISS) Competitive Grant Program \$7,000,000<sup>2</sup>

S.L. 2025-89 (House Bill 125) eliminated funding for Small Specialty High Schools, Learn and Earn, Plasma Games, and Beginnings for Parents of Children Who are Deaf or Hard of Hearing; however, with the exception of enacting a base budget for the 2025-27 biennium, S.L. 2025-89 did not directly address funding for the additional contracts and funding allotments that NCDPI has paused since July 1.

Since S.L. 2025-89 enacted a base budget for the 2025-27 biennium, it is my understanding that NCDPI can proceed with the execution of the contracts and the distribution of funds from the funding allotments listed above for FY 2025-26, unless that funding was eliminated in S.L. 2025-89. I am reaching out to notify you that, unless you have any concerns or objections, or the General Assembly enacts a comprehensive state budget for FY 2025-26 or other legislation that directs NCDPI how to proceed prior to September 2, 2025, NCDPI plans to implement the base budget on **September 2, 2025**. This will allow, among other actions, the execution of contracts and the allocation of funds that were paused, as listed above, unless the funding was eliminated in S.L. 2025-89. If you have any questions or concerns or would like to discuss this matter further, please let me know.

<sup>&</sup>lt;sup>1</sup> The Senate version of Senate Bill 257 redistributed these funds to public school units (PSUs) through the School Health Personnel Allotment.

<sup>&</sup>lt;sup>2</sup> The funding for the ELISS program, which under Session Law 2023-134 was a set-aside from the At-Risk Allotment, was only authorized for FY 2023-24 and FY 2024-25. Both the House and Senate versions of Senate Bill 257 codified the ELISS program in statute. NCDPI has paused the distribution of the \$7,000,000 set-aside in the At-Risk Allotment for this program to PSUs through the At-Risk Allotment formula.

Thank you for your ongoing support for our public schools. I look forward to continuing to work with you to ensure that our state's public school system is the best in the nation.

Sincerely,

Maurice "Mo" Green

North Carolina Superintendent of Public Instruction

c: North Carolina State Board of Education

Maria Pitre-Martin, Deputy State Superintendent, NCDPI

Alexis Schauss, Chief Financial Officer, NCDPI

Allison Schafer, General Counsel, State Board of Education and NCDPI

Geoff Coltrane, Sr. Director of Government Affairs, NCDPI

Kristin Walker, Director, NC Office of State Budget and Management

Brian Matteson, Director of Fiscal Research, NC General Assembly

Neal Inman, Chief of Staff, Office of the Speaker of the House of Representatives

Kolt Ulm, Chief of Staff, Office of the President Pro Tempore of the Senate

Jeffrey Elmore, Senior Policy Advisor, Office of the Speaker of the House of

Representatives

Robin McBrayer, Policy Advisor, Office of the President Pro Tempore of the Senate