

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 1054
Apr 27, 2026
HOUSE PRINCIPAL CLERK

H

D

HOUSE BILL DRH40655-MTap-144A

Short Title: Gov't Employee Raises & Retiree COLA.

(Public)

Sponsors: Representative Logan.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO RAISE SALARIES FOR PUBLIC SCHOOL
3 EMPLOYEES AND STATE EMPLOYEES, TO ENHANCE STATE EMPLOYEE SICK
4 LEAVE BENEFITS, AND TO PROVIDE A COST-OF-LIVING ADJUSTMENT FOR
5 CERTAIN RETIREES.

6 The General Assembly of North Carolina enacts:

7
8 **PART I. PUBLIC SCHOOL EMPLOYEES**

9
10 **TEACHER SALARY SCHEDULE**

11 **SECTION 1.1.(a)** The following monthly teacher salary schedule shall apply for the
12 2026-2027 fiscal year to licensed personnel of the public schools who are classified as teachers.
13 The salary schedule is based on years of teaching experience.

14 **2026-2027 Teacher Monthly Salary Schedule**

15 Years of Experience	"A" Teachers
16 0	\$4,469
17 1	\$4,551
18 2	\$4,633
19 3	\$4,714
20 4	\$4,796
21 5	\$4,878
22 6	\$4,983
23 7	\$5,083
24 8	\$5,181
25 9	\$5,280
26 10	\$5,379
27 11	\$5,477
28 12	\$5,576
29 13	\$5,675
30 14	\$5,774
31 15-24	\$5,873
32 25+	\$6,099

33 **SECTION 1.1.(b)** Salary Supplements for Teachers Paid on This Salary Schedule.

34 -



- 1 (1) Licensed teachers who have NBPTS certification shall receive a salary
2 supplement each month of twelve percent (12%) of their monthly salary on
3 the "A" salary schedule.
- 4 (2) Licensed teachers who are classified as "M" teachers shall receive a salary
5 supplement each month of ten percent (10%) of their monthly salary on the
6 "A" salary schedule.
- 7 (3) Licensed teachers with licensure based on academic preparation at the
8 six-year degree level shall receive a salary supplement of one hundred
9 twenty-six dollars (\$126.00) per month in addition to the supplement provided
10 to them as "M" teachers.
- 11 (4) Licensed teachers with licensure based on academic preparation at the
12 doctoral degree level shall receive a salary supplement of two hundred
13 fifty-three dollars (\$253.00) per month in addition to the supplement provided
14 to them as "M" teachers.
- 15 (5) Certified school nurses shall receive a salary supplement each month of ten
16 percent (10%) of their monthly salary on the "A" salary schedule.
- 17 (6) School counselors who are licensed as counselors at the master's degree level
18 or higher shall receive a salary supplement each month of one hundred dollars
19 (\$100.00).

20 **SECTION 1.1.(c)** For school psychologists, school speech pathologists who are
21 licensed as speech pathologists at the master's degree level or higher, and school audiologists
22 who are licensed as audiologists at the master's degree level or higher, the following shall apply:

- 23 (1) The first step of the salary schedule shall be equivalent to the sixth step of the
24 "A" salary schedule.
- 25 (2) These employees shall receive the following salary supplements each month:
26 a. Ten percent (10%) of their monthly salary, excluding the supplement
27 provided pursuant to sub-subdivision b. of this subdivision.
28 b. Three hundred fifty dollars (\$350.00).
- 29 (3) These employees are eligible to receive salary supplements equivalent to those
30 of teachers for academic preparation at the six-year degree level or the
31 doctoral degree level.
- 32 (4) The twenty-sixth step of the salary schedule shall be seven and one-half
33 percent (7.5%) higher than the salary received by these same employees on
34 the twenty-fifth step of the salary schedule.

35 **SECTION 1.1.(d)** Beginning with the 2014-2015 fiscal year, in lieu of providing
36 annual longevity payments to teachers paid on the teacher salary schedule, the amounts of those
37 longevity payments are included in the monthly amounts under the teacher salary schedule.

38 **SECTION 1.1.(e)** A teacher compensated in accordance with this salary schedule
39 for the 2026-2027 school year shall receive an amount equal to the greater of the following:

- 40 (1) The applicable amount on the salary schedule for the applicable school year.
- 41 (2) For teachers who were eligible for longevity for the 2013-2014 school year,
42 the sum of the following:
 - 43 a. The salary the teacher received in the 2013-2014 school year pursuant
44 to Section 35.11 of S.L. 2013-360.
 - 45 b. The longevity that the teacher would have received under the longevity
46 system in effect for the 2013-2014 school year provided in Section
47 35.11 of S.L. 2013-360 based on the teacher's current years of service.
 - 48 c. The annual bonus provided in Section 9.1(e) of S.L. 2014-100.
- 49 (3) For teachers who were not eligible for longevity for the 2013-2014 school
50 year, the sum of the salary and annual bonus the teacher received in the
51 2014-2015 school year pursuant to Section 9.1 of S.L. 2014-100.

- 1 (3) If a principal does not have a school growth score from any of the school years
2 identified in this subsection, the most recent available growth scores, up to the
3 fourth year, shall be used.

4 **SECTION 1.2.(d)** Beginning with the 2017-2018 fiscal year, in lieu of providing
5 annual longevity payments to principals paid on the principal salary schedule, the amounts of
6 those longevity payments are included in the annual amounts under the principal salary schedule.

7 **SECTION 1.2.(e)** A principal compensated in accordance with this section for the
8 2026-2027 fiscal year shall receive an amount equal to the greater of the following:

- 9 (1) The applicable amount on the principal salary schedule for the applicable
10 fiscal year.
- 11 (2) For principals who were eligible for longevity in the 2016-2017 fiscal year,
12 the sum of the following:
- 13 a. The salary the principal received in the 2016-2017 fiscal year pursuant
14 to Section 9.1 or Section 9.2 of S.L. 2016-94.
- 15 b. The longevity that the principal would have received as provided for
16 State employees under the North Carolina Human Resources Act for
17 the 2016-2017 fiscal year based on the principal's current years of
18 service.
- 19 (3) For principals who were not eligible for longevity in the 2016-2017 fiscal
20 year, the salary the principal received in the 2016-2017 fiscal year pursuant to
21 Section 9.1 or Section 9.2 of S.L. 2016-94.

22 **SECTION 1.2.(f)** For purposes of this section, the following definitions apply:

- 23 (1) First year. – The school year immediately preceding the second year.
- 24 (2) Fourth year. – The school year immediately preceding the applicable school
25 year.
- 26 (3) Second year. – The school year immediately preceding the third year.
- 27 (4) The applicable fiscal year. – The 2026-2027 fiscal year.
- 28 (5) The applicable school year. – The 2026-2027 school year.
- 29 (6) Third year. – The school year immediately preceding the fourth year.
- 30

31 ASSISTANT PRINCIPAL SALARIES

32 **SECTION 1.3.(a)** For the 2026-2027 fiscal year, beginning July 1, 2026, assistant
33 principals shall receive a monthly salary based on the salary schedule for teachers who are
34 classified as "A" teachers plus nineteen percent (19%). An assistant principal shall be placed on
35 the step on the salary schedule that reflects the total number of years of experience as a certified
36 employee of the public schools. For purposes of this section, an administrator with a one-year
37 provisional assistant principal's certificate shall be considered equivalent to an assistant principal.

38 **SECTION 1.3.(b)** Assistant principals with certification based on academic
39 preparation at the six-year degree level shall be paid a salary supplement of one hundred
40 twenty-six dollars (\$126.00) per month and at the doctoral degree level shall be paid a salary
41 supplement of two hundred fifty-three dollars (\$253.00) per month.

42 **SECTION 1.3.(c)** Participants in an approved full-time master's in school
43 administration program shall receive up to a 10-month stipend during the internship period of the
44 master's program. The stipend shall be at the beginning salary of an assistant principal or, for a
45 teacher who becomes an intern, at least as much as that person would earn as a teacher on the
46 teacher salary schedule. The North Carolina Principal Fellows Program or the school of education
47 where the intern participates in a full-time master's in school administration program shall supply
48 the Department of Public Instruction with certification of eligible full-time interns.

49 **SECTION 1.3.(d)** Beginning with the 2017-2018 fiscal year, in lieu of providing
50 annual longevity payments to assistant principals on the assistant principal salary schedule, the

1 amounts of those longevity payments are included in the monthly amounts provided to assistant
 2 principals pursuant to subsection (a) of this section.

3 **SECTION 1.3.(e)** An assistant principal compensated in accordance with this section
 4 for the 2026-2027 fiscal year shall receive an amount equal to the greater of the following:

- 5 (1) The applicable amount on the salary schedule for the applicable year.
- 6 (2) For assistant principals who were eligible for longevity in the 2016-2017 fiscal
 7 year, the sum of the following:
 - 8 a. The salary the assistant principal received in the 2016-2017 fiscal year
 9 pursuant to Section 9.1 or Section 9.2 of S.L. 2016-94.
 - 10 b. The longevity that the assistant principal would have received as
 11 provided for State employees under the North Carolina Human
 12 Resources Act for the 2016-2017 fiscal year based on the assistant
 13 principal's current years of service.
- 14 (3) For assistant principals who were not eligible for longevity in the 2016-2017
 15 fiscal year, the salary the assistant principal received in the 2016-2017 fiscal
 16 year pursuant to Section 9.1 or Section 9.2 of S.L. 2016-94.

17
 18 **CENTRAL OFFICE SALARIES**

19 **SECTION 1.4.(a)** For the 2026-2027 fiscal year, beginning July 1, 2026, the annual
 20 salary for superintendents, assistant superintendents, associate superintendents,
 21 directors/coordinators, supervisors, and finance officers whose salaries are supported from State
 22 funds shall be increased by nine percent (9%).

23 **SECTION 1.4.(b)** The monthly salary maximums that follow apply to assistant
 24 superintendents, associate superintendents, directors/coordinators, supervisors, and finance
 25 officers for the 2026-2027 fiscal year, beginning July 1, 2026:

	2026-2027 Fiscal Year
	Maximum
26 School Administrator I	\$8,255
27 School Administrator II	\$8,746
28 School Administrator III	\$9,267
29 School Administrator IV	\$9,629
30 School Administrator V	\$10,014
31 School Administrator VI	\$10,607
32 School Administrator VII	\$11,031

33 The local board of education shall determine the appropriate category and placement
 34 for each assistant superintendent, associate superintendent, director/coordinator, supervisor, or
 35 finance officer within the maximums and within funds appropriated by the General Assembly
 36 for central office administrators and superintendents. The category in which an employee is
 37 placed shall be included in the contract of any employee.

38 **SECTION 1.4.(c)** The monthly salary maximums that follow apply to
 39 superintendents for the 2026-2027 fiscal year, beginning July 1, 2026:

	2026-2027 Fiscal Year
	Maximum
40 Superintendent I	\$11,692
41 Superintendent II	\$12,389
42 Superintendent III	\$13,133
43 Superintendent IV	\$13,923
44 Superintendent V	\$14,760

45 The local board of education shall determine the appropriate category and placement
 46 for the superintendent based on the average daily membership of the local school administrative
 47
 48
 49
 50

1 unit and within funds appropriated by the General Assembly for central office administrators and
2 superintendents.

3 **SECTION 1.4.(d)** Longevity pay for superintendents, assistant superintendents,
4 associate superintendents, directors/coordinators, supervisors, and finance officers shall be as
5 provided for State employees under the North Carolina Human Resources Act.

6 **SECTION 1.4.(e)** Superintendents, assistant superintendents, associate
7 superintendents, directors/coordinators, supervisors, and finance officers with certification based
8 on academic preparation at the six-year degree level shall receive a salary supplement of one
9 hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided
10 pursuant to this section. Superintendents, assistant superintendents, associate superintendents,
11 directors/coordinators, supervisors, and finance officers with certification based on academic
12 preparation at the doctoral degree level shall receive a salary supplement of two hundred
13 fifty-three dollars (\$253.00) per month in addition to the compensation provided for under this
14 section.

15 **SECTION 1.4.(f)** The State Board of Education shall not permit local school
16 administrative units to transfer State funds from other funding categories for salaries for public
17 school central office administrators.

18
19 **NONCERTIFIED PERSONNEL SALARIES**

20 **SECTION 1.5.** For the 2026-2027 fiscal year, beginning July 1, 2026, the annual
21 salary for noncertified public school employees whose salaries are supported from State funds
22 shall be increased as follows:

- 23 (1) For permanent, full-time employees on a 12-month contract, by nine percent
- 24 (9%).
- 25 (2) For the following employees, by an equitable amount based on the amount
- 26 specified in subdivision (1) of this section:
- 27 a. Permanent, full-time employees on a contract for fewer than 12
- 28 months.
- 29 b. Permanent, part-time employees.
- 30 c. Temporary and permanent hourly employees.

31
32 **STATE AGENCY TEACHERS**

33 **SECTION 1.6.** For the 2026-2027 fiscal year, employees of schools operated by the
34 Department of Health and Human Services, the Department of Public Safety, the Department of
35 Adult Correction, and the State Board of Education who are paid on the teacher salary schedule
36 shall be paid as authorized under this act.

37
38 **APPROPRIATION**

39 **SECTION 1.7.** There is appropriated from the General Fund to the Department of
40 Public Instruction the sum of nine hundred thirty-nine million eight hundred thousand dollars
41 (\$939,800,000) in recurring funds for the 2026-2027 fiscal year to provide the compensation
42 increases for public school employees authorized in this Part.

43
44 **PART II. STATE EMPLOYEES/INCREASE/SICK LEAVE**

45
46 **SEVEN PERCENT LEGISLATIVE SALARY INCREASE AWARDED TO ELIGIBLE**
47 **STATE-FUNDED EMPLOYEES**

48 **SECTION 2.1.(a)** Effective July 1, 2026, except as provided by subsection (b) of
49 this section, a person (i) whose salary is set by this Part, pursuant to the North Carolina Human
50 Resources Act, or as otherwise authorized in this act and (ii) who is employed in a State-funded

1 position on June 30, 2026, is awarded a legislative salary increase in the 2026-2027 fiscal year,
2 as follows:

- 3 (1) A cost-of-living adjustment in the amount of seven percent (7%).
- 4 (2) Any other salary adjustment otherwise allowed or provided by law.

5 **SECTION 2.1.(b)** Effective July 1, 2026, the following persons are not eligible to
6 receive the legislative salary increases provided by subsection (a) of this section:

- 7 (1) Employees of local boards of education.
- 8 (2) Local community college employees.
- 9 (3) Employees of The University of North Carolina.
- 10 (4) Clerks of superior court compensated under G.S. 7A-101.
- 11 (5) Officers and employees to which Section 2.13 of this Part applies.
- 12 (6) Officers and employees to which Section 2.14 of this Part applies.
- 13 (7) Officers and employees to which Section 2.15 of this Part applies.
- 14 (8) Officers and employees to which Section 2.16 of this Part applies.
- 15 (9) Employees of schools operated by the Department of Health and Human
16 Services, the Department of Public Safety, the Department of Adult
17 Correction, the Governor Morehead School for the Blind, the Eastern North
18 Carolina School for the Deaf, the North Carolina School for the Deaf, and the
19 State Board of Education who are paid based on the teacher salary schedule.

20 **SECTION 2.1.(c)** Part-time employees shall receive the increases authorized by this
21 section on a prorated and equitable basis.

22 **SECTION 2.1.(d)** No eligible State-funded employee shall be prohibited from
23 receiving the full salary increases provided in this section solely because the employee's salary
24 after applying the legislative salary increase is above the maximum of the salary range prescribed
25 by the State Human Resources Commission.

26
27 **GOVERNOR AND COUNCIL OF STATE**

28 **SECTION 2.2.(a)** Effective July 1, 2026, G.S. 147-11(a) reads as rewritten:

29 "**§ 147-11. Salary and expense allowance of Governor; allowance to person designated to**
30 **represent Governor's office.**

31 (a) The salary of the Governor shall be ~~two hundred three thousand seventy three dollars~~
32 ~~(\$203,073)~~ two hundred seventeen thousand two hundred eighty-eight dollars (\$217,288)
33 annually, payable monthly."

34 **SECTION 2.2.(b)** Effective July 1, 2026, the annual salaries for members of the
35 Council of State, payable monthly, are set as follows:

Council of State	Annual Salary
Lieutenant Governor	\$180,171
Attorney General	\$180,171
Secretary of State	\$180,171
State Treasurer	\$180,171
State Auditor	\$180,171
Superintendent of Public Instruction	\$180,171
Agriculture Commissioner	\$180,171
Insurance Commissioner	\$180,171
Labor Commissioner	\$180,171

36
37
38
39
40
41
42
43
44
45
46
47 **CERTAIN EXECUTIVE BRANCH OFFICIALS**

48 **SECTION 2.3.** Effective July 1, 2026, the annual salaries, payable monthly, for the
49 following executive branch officials are as follows:

Executive Branch Officials	Annual Salary
50 Chairman, Alcoholic Beverage Control Commission	\$150,703

1	State Controller	\$209,847
2	Commissioner of Banks	\$169,141
3	Chair, Board of Review, Division of Employment Security	\$165,909
4	Members, Board of Review, Division of Employment Security	\$163,881
5	Chairman, Parole Commission	\$165,909
6	Full-time Members of the Parole Commission	\$153,399
7	Chairman, Utilities Commission	\$188,069
8	Members of the Utilities Commission	\$169,141
9	Executive Director, North Carolina Agricultural Finance Authority	\$146,762
10	State Fire Marshal	\$148,784

11

JUDICIAL BRANCH

12
13 **SECTION 2.4.(a)** Effective July 1, 2026, the annual salaries, payable monthly, for
14 the following judicial branch officials are as follows:

15	Judicial Branch Officials	Annual Salary
16	Chief Justice, Supreme Court	\$217,288
17	Associate Justice, Supreme Court	\$211,648
18	Chief Judge, Court of Appeals	\$208,301
19	Judge, Court of Appeals	\$202,894
20	Judge, Senior Regular Resident Superior Court	\$186,448
21	Judge, Superior Court	\$180,964
22	Chief Judge, District Court	\$179,276
23	Judge, District Court	\$174,003
24	Chief Administrative Law Judge	\$154,868
25	District Attorney	\$179,051
26	Assistant Administrative Officer of the Courts	\$162,442
27	Public Defender	\$179,051
28	Director of Indigent Defense Services	\$180,365

29 **SECTION 2.4.(b)** The district attorney of a judicial district, with the approval of the
30 Administrative Officer of the Courts, and the public defender of a judicial district, with the
31 approval of the Commission on Indigent Defense Services, shall set the salaries of assistant
32 district attorneys and assistant public defenders in that district such that the average salary of
33 those assistants in that district does not exceed one hundred eight thousand three hundred ninety
34 dollars (\$108,390) and the minimum salary of any assistant is at least fifty-eight thousand one
35 hundred seventy-five dollars (\$58,175), effective July 1, 2026.

36

CLERKS OF SUPERIOR COURT

37 **SECTION 2.5.** Effective July 1, 2026, G.S. 7A-101(a) reads as rewritten:

38 "**§ 7A-101. Compensation.**

39 (a) The clerk of superior court is a full-time employee of the State and shall receive an
40 annual salary, payable in equal monthly installments, based on the number of State-funded
41 assistant and deputy clerks of court as determined by the Administrative Office of Court's
42 workload formula, according to the following schedule:

44	Assistants and Deputies	Annual Salary
45	0-19	\$111,726 \$119,547
46	20-29	123,488 \$132,132
47	30-49	135,248 \$144,175
48	50-99	147,010 \$157,301
49	100 and above	149,949 \$160,445

50 If the number of State-funded assistant and deputy clerks of court as determined by the
51 Administrative Office of Court's workload formula changes, the salary of the clerk shall be

changed, on July 1 of the fiscal year for which the change is reported, to the salary appropriate for that new number, except that the salary of an incumbent clerk shall not be decreased by any change in that number during the clerk's continuance in office."

ASSISTANT AND DEPUTY CLERKS OF COURT

SECTION 2.6. Effective July 1, 2026, G.S. 7A-102(c1) reads as rewritten:

"(c1) A full-time assistant clerk or a full-time deputy clerk, and up to one full-time deputy clerk serving as head bookkeeper per county, shall be paid an annual salary subject to the following minimum and maximum rates:

Assistant Clerks and Head Bookkeeper	Annual Salary
Minimum	\$40,482 <u>\$43,316</u>
Maximum	74,792 <u>\$80,027</u>
Deputy Clerks	Annual Salary
Minimum	\$36,315 <u>\$38,857</u>
Maximum	58,740 <u>\$62,852</u> "

MAGISTRATES

SECTION 2.7. Effective July 1, 2026, G.S. 7A-171.1(a)(1) reads as rewritten:

"(1) A full-time magistrate shall be paid the annual salary indicated in the table set out in this subdivision. A full-time magistrate is a magistrate who is assigned to work an average of not less than 40 hours a week during the term of office. The Administrative Officer of the Courts shall designate whether a magistrate is full-time. Initial appointment shall be at the entry rate. A magistrate's salary shall increase to the next step every two years on the anniversary of the date the magistrate was originally appointed for increases to Steps 1 through 3, and every four years on the anniversary of the date the magistrate was originally appointed for increases to Steps 4 through 6:

Table of Salaries of Full-Time Magistrates

Step Level	Annual Salary
Entry Rate	\$47,228 <u>\$50,534</u>
Step 1	\$50,714 <u>\$54,264</u>
Step 2	\$54,475 <u>\$58,288</u>
Step 3	\$58,457 <u>\$62,549</u>
Step 4	\$63,228 <u>\$67,654</u>
Step 5	\$68,973 <u>\$73,801</u>
Step 6	\$75,415 <u>\$80,694.</u> "

LEGISLATIVE EMPLOYEES

SECTION 2.8.(a) Effective July 1, 2026, the annual salaries of the Legislative Services Officer and of nonelected employees of the General Assembly in effect on June 30, 2026, shall be legislatively increased by seven percent (7%).

SECTION 2.8.(b) Nothing in this act limits any of the provisions of G.S. 120-32.

GENERAL ASSEMBLY PRINCIPAL CLERKS

SECTION 2.9. Effective July 1, 2026, G.S. 120-37(c) reads as rewritten:

"(c) The principal clerks shall be full-time officers. Each principal clerk shall be entitled to other benefits available to permanent legislative employees and shall be paid an annual salary of ~~one hundred thirty three thousand nine hundred thirty six dollars (\$133,936)~~, one hundred forty-three thousand three hundred twelve dollars (\$143,312), payable monthly. Each principal

1 clerk shall also receive such additional compensation as approved by the Speaker of the House
 2 of Representatives or the President Pro Tempore of the Senate, respectively, for additional
 3 employment duties beyond those provided by the rules of their House. The Legislative Services
 4 Commission shall review the salary of the principal clerks prior to submission of the proposed
 5 operating budget of the General Assembly to the Governor and shall make appropriate
 6 recommendations for changes in those salaries. Any changes enacted by the General Assembly
 7 shall be by amendment to this ~~paragraph~~subsection."

8
 9 **SERGEANTS-AT-ARMS AND READING CLERKS**

10 **SECTION 2.10.** Effective July 1, 2026, G.S. 120-37(b) reads as rewritten:

11 "(b) The sergeant at arms and the reading clerk in each house shall be paid a salary of ~~five~~
 12 ~~hundred twenty-eight dollars (\$528.00)~~ five hundred sixty-five dollars (\$565.00) per week plus
 13 subsistence at the same daily rate provided for members of the General Assembly, plus mileage
 14 at the rate provided for members of the General Assembly for one round trip only from their
 15 homes to Raleigh and return. The sergeants at arms shall serve during sessions of the General
 16 Assembly and at such time prior to the convening of, and subsequent to adjournment or recess
 17 of, sessions as may be authorized by the Legislative Services Commission. The reading clerks
 18 shall serve during sessions only."

19
 20 **COMMUNITY COLLEGES**

21 **SECTION 2.11.(a)** Effective July 1, 2026, the State Board of Community Colleges
 22 shall provide community college faculty and non-faculty personnel with an across-the-board
 23 salary increase in the amount of seven percent (7%).

24 **SECTION 2.11.(b)** Effective July 1, 2026, the minimum salaries for nine-month,
 25 full-time curriculum community college faculty are as follows:

Educational Level	Minimum Salary
Vocational Diploma/Certificate or Less	\$46,138
Associate Degree or Equivalent	\$46,780
Bachelor's Degree	\$49,563
Master's Degree or Education Specialist	\$52,033
Doctoral Degree	\$55,593

32 **SECTION 2.11.(c)** No full-time faculty member shall earn less than the minimum
 33 salary for the faculty member's education level. The pro rata hourly rate of the minimum salary
 34 for each education level shall be used to determine the minimum salary for part-time faculty
 35 members.

36
 37 **THE UNIVERSITY OF NORTH CAROLINA**

38 **SECTION 2.12.** Effective July 1, 2026, the Board of Governors of The University
 39 of North Carolina shall provide SHRA employees, EHRA employees, and teachers employed by
 40 the North Carolina School of Science and Mathematics with an across-the-board salary increase
 41 in the amount of seven percent (7%).

42
 43 **CORRECTIONAL OFFICERS/YOUTH COUNSELORS/YOUTH COUNSELOR**
 44 **TECHNICIANS/YOUTH SERVICES BEHAVIORAL SPECIALISTS – SALARY**
 45 **SCHEDULE**

46 **SECTION 2.13.(a)** Effective July 1, 2026, State employees serving as correctional
 47 officers in the Department of Adult Correction shall be compensated at a specific pay rate on the
 48 basis of a salary schedule determined according to the duration of the employee's correctional
 49 officer work experience pursuant to the salary schedule in subsection (b) of this section.

50 **SECTION 2.13.(a1)** Effective July 1, 2026, State employees serving in the
 51 Department of Public Safety, Division of Juvenile Justice and Delinquency Prevention, shall be

1 compensated at a specific pay rate set on the basis of a salary schedule determined according to
 2 the duration of the employee's work experience, as follows:

- 3 (1) Youth Counselor Technicians shall be paid under the Correctional Officer I
 4 salary schedule, as established in subsection (b) of this section.
- 5 (2) Youth Services Behavioral Specialists shall be paid under the Correctional
 6 Officer II salary schedule, as established in subsection (b) of this section.
- 7 (3) Youth Counselors shall be paid under the Correctional Officer III salary
 8 schedule, as established in subsection (b) of this section.

9 **SECTION 2.13.(b)** Effective July 1, 2026, the following annual salary schedule will
 10 apply under subsections (a) and (a1) of this section:

11 Experience	COI	COII	COIII
12 0	\$40,254	\$41,579	\$44,467
13 1	\$43,071	\$44,488	\$47,581
14 2	\$45,657	\$47,205	\$50,437
15 3	\$47,939	\$49,516	\$52,959
16 4	\$49,856	\$51,497	\$55,076
17 5	\$51,353	\$53,041	\$56,728
18 6+	\$52,380	\$54,102	\$57,863

19 **SECTION 2.13.(c)** If an employee will not receive a salary increase under this
 20 section because the employee's salary exceeds the scheduled salary level, then the employee shall
 21 receive an annual salary increase equal to the amount of the across-the-board legislative salary
 22 increase authorized in this Part.

23
 24 **STATE HIGHWAY PATROL SALARY SCHEDULE**

25 **SECTION 2.14.(a)** Effective July 1, 2026, law enforcement officers of the State
 26 Highway Patrol compensated pursuant to an experience-based salary schedule shall be
 27 compensated based on the officer's respective work experience pursuant to the salary schedule in
 28 subsection (b) of this section.

29 **SECTION 2.14.(b)** Effective July 1, 2026, the following annual salary schedule
 30 applies under subsection (a) of this section:

31 Years of Experience	FY 2026-2027
32 0	\$58,850
33 1	\$62,675
34 2	\$66,749
35 3	\$71,088
36 4	\$75,708
37 5	\$80,629
38 6+	\$85,870

39 **SECTION 2.14.(c)** If an employee will not receive a salary increase under this
 40 section because the employee's salary exceeds the scheduled salary level, then the employee shall
 41 receive an annual salary increase equal to the amount of the across-the-board legislative salary
 42 increase authorized in this Part.

43
 44 **STATE LAW ENFORCEMENT OFFICER SALARY SCHEDULE/INCREASES**

45 **SECTION 2.15.(a)** Effective July 1, 2026, law enforcement officers of the State
 46 Bureau of Investigation and Alcohol Law Enforcement shall be compensated pursuant to an
 47 experience-based salary schedule and shall be compensated based on the officer's respective
 48 work experience pursuant to the salary schedule in subsection (b) of this section.

49 **SECTION 2.15.(b)** Effective July 1, 2026, the following annual salary schedule
 50 applies under subsection (a) of this section:

51 Years of Experience	FY 2026-2027
------------------------	--------------

1	0	\$57,220
2	1	\$60,941
3	2	\$64,902
4	3	\$69,121
5	4	\$73,614
6	5	\$78,399
7	6+	\$83,495

8 **SECTION 2.15.(c)** If an employee will not receive a salary increase under this
 9 section because the employee's salary exceeds the scheduled salary level, then the employee shall
 10 receive an annual salary increase equal to the amount of the across-the-board legislative salary
 11 increase authorized in this Part.

12
 13 **PROBATION AND PAROLE OFFICERS/JUVENILE COURT COUNSELORS –**
 14 **SALARY SCHEDULE**

15 **SECTION 2.16.(a)** Effective July 1, 2026, probation and parole officers shall be
 16 compensated pursuant to the experience-based salary schedule based on the officer's respective
 17 work experience, as established in subsection (b) of this section.

18 **SECTION 2.16.(a1)** Effective July 1, 2026, State employees serving in the
 19 Department of Public Safety, Division of Juvenile Justice and Delinquency Prevention, as
 20 Juvenile Court Counselors shall be compensated under the probation and parole officer salary
 21 schedule, as established in subsection (b) of this section.

22 **SECTION 2.16.(b)** Effective July 1, 2026, the following annual salary schedule
 23 applies under subsections (a) and (a1) of this section:

24 Years of Experience	25 FY 2026-2027
26 0	\$48,602
27 1	\$51,760
28 2	\$55,126
29 3	\$58,709
30 4	\$62,525
31 5	\$66,589
32 6+	\$70,917

33 **SECTION 2.16.(c)** If an employee will not receive a salary increase under this
 34 section because the employee's salary exceeds the scheduled salary level, then the employee shall
 35 receive an annual salary increase equal to the amount of the across-the-board legislative salary
 36 increase authorized in this Part.

37 **MOST STATE EMPLOYEES**

38 **SECTION 2.17.** Effective July 1, 2026, unless otherwise expressly provided by this
 39 Part, the annual salaries in effect for the following persons on June 30, 2026, shall be legislatively
 40 increased as provided by this act:

- 41 (1) Permanent, full-time State officials and persons whose salaries are set in
 42 accordance with the North Carolina Human Resources Act.
- 43 (2) Permanent, full-time State officials and persons in positions exempt from the
 44 North Carolina Human Resources Act.
- 45 (3) Permanent, part-time State employees.
- 46 (4) Temporary and permanent hourly State employees.

47
 48 **ALL STATE-SUPPORTED PERSONNEL**

49 **SECTION 2.18.(a)** The legislative salary increases authorized by this act shall be
 50 paid effective on July 1, 2026, and do not apply to persons separated from service due to

1 resignation, dismissal, reduction in force, death, or retirement or whose last workday is prior to
2 June 30, 2026.

3 **SECTION 2.18.(b)** The Director of the Budget is granted flexibility to administer
4 the compensation increases enacted by this act. The State employer contribution rates enacted by
5 this act for retirement and related benefits may be deemed by the Director of the Budget for
6 administrative purposes to become effective after July 1 to provide flexibility in the collection
7 and reconciliation of salary-related contributions as required by law, provided the estimated
8 amount contributed to any affected employee benefit trust equals the amount that would have
9 been contributed to the employee benefit trust if the enacted employer contribution rates had
10 been effective on July 1.

11 **SECTION 2.18.(c)** This section applies to all employees paid from State funds,
12 whether or not subject to or exempt from the North Carolina Human Resources Act, including
13 employees of public schools, community colleges, and The University of North Carolina.
14

15 **USE OF FUNDS APPROPRIATED FOR LEGISLATIVELY MANDATED INCREASES**

16 **SECTION 2.19.(a)** The Office of State Budget and Management shall ensure that
17 the appropriations made by this act for legislatively mandated salary increases and employee
18 benefits are used only for those purposes.

19 **SECTION 2.19.(b)** If the Director of the Budget determines that funds appropriated
20 to a State agency for legislatively mandated salary increases and employee benefits exceed the
21 amount required by that agency for those purposes, the Director may reallocate those funds to
22 other State agencies that received insufficient funds for legislatively mandated salary increases
23 and employee benefits.

24 **SECTION 2.19.(c)** Funds appropriated for legislatively mandated salary and
25 employee benefit increases may not be used to adjust the budgeted salaries of vacant positions,
26 to provide salary increases in excess of those required by the General Assembly, or to increase
27 the budgeted salary of filled positions to the minimum of the position's respective salary range.

28 **SECTION 2.19.(d)** Any funds appropriated for legislatively mandated salary and
29 employee benefit increases in excess of the amounts required to implement the increases shall be
30 credited to the Pay Plan Reserve.

31 **SECTION 2.19.(e)** No later than May 1, 2027, the Office of State Budget and
32 Management shall report to the Fiscal Research Division on the expenditure of funds for
33 legislatively mandated salary increases and employee benefits. This report shall include at least
34 the following information for each State agency:

- 35 (1) The total amount of funds that the agency received for legislatively mandated
36 salary increases and employee benefits.
- 37 (2) The total amount of funds transferred from the agency to other State agencies
38 pursuant to subsection (b) of this section. This section of the report shall
39 identify the amounts transferred to each recipient State agency.
- 40 (3) The total amount of funds used by the agency for legislatively mandated salary
41 increases and employee benefits.
- 42 (4) The amount of funds credited to the Pay Plan Reserve.

43 **APPROPRIATION**

44 **SECTION 2.20.** Effective July 1, 2026, there is appropriated from the General Fund
45 the sum of nine hundred thirty-nine million eight hundred thousand dollars (\$939,800,000) in
46 recurring funds for the 2026-2027 fiscal year for the costs associated with implementing the
47 provisions of this Part.
48

49 **ENHANCED SICK LEAVE**

50

1 **SECTION 2.21.(a)** By January 1, 2027, the State Human Resources Commission
2 shall adopt rules to implement enhanced sick leave benefits for State employees, effective July
3 1, 2027, that provide for the following:

- 4 (1) Sick leave shall accrue at the rate of one hour per 20 hours worked,
5 commencing on the first day of employment. Accrued sick leave is cumulative
6 without limit. A State agency may loan time in advance of accrual not to
7 exceed the amount an employee can accumulate during the current calendar
8 year.
- 9 (2) If an employee is separated and rehired within 90 days by the same State
10 agency, previously accrued unused sick leave is reinstated.
- 11 (3) Permissible uses of sick leave shall include the following:
- 12 a. The employee's own physical or mental illness, injury, medical
13 condition, preventive care, or routine medical appointment; and
14 temporary disability due to childbirth or recovery therefrom.
- 15 b. Death of an immediate family member.
- 16 c. Donations to a member of the immediate family who is an approved
17 voluntary shared leave recipient.
- 18 d. Adoption of a child limited to a maximum of 30 days for each parent.
- 19 e. Absences related to the employee being the victim of domestic
20 violence, sexual assault, or stalking, taken for the purpose of medical
21 care, counseling, relocation, or legal proceedings.
- 22 f. The same uses as sub-subdivision a. of this subdivision for an
23 immediate family member.
- 24 (4) For the purposes of this section, an "immediate family member" means (i) a
25 spouse, domestic or civil union partner, (ii) a parent, including a biological,
26 adoptive, or stepparent; a parent-in-law; or a person who stood in loco parentis
27 to the employee, (iii) a child, including a biological, adoptive, foster, or
28 stepchild; a child-in-law; a legal ward; or a person for whom the employee
29 stands in loco parentis, (iv) a brother or sister, including adoptive, step, half,
30 and in-law relationships, (v) a grandparent, great-grandparent, grandchild, or
31 great-grandchild, including step and in-law relationships thereto, and (vi) any
32 dependent living in the employee's household.
- 33 (5) If an employee or the employee's spouse, parent, or child has a serious illness
34 that qualifies under the federal Family Medical Leave Act (FMLA), the
35 FMLA provisions apply. If the illness does not qualify under FMLA, the
36 provisions of the State Human Resources Act (SHRA) apply.
- 37 (6) A State agency may require documentation when an employee absence
38 exceeds three consecutive working days, but the agency shall not require
39 disclosure of details beyond what is reasonably necessary to verify the
40 permissible purpose of the leave. Evidence to support leave for
41 adoption-related purposes may be required. Sick leave shall be taken and
42 charged in units appropriate and consistent with agency operational needs.
43 Only scheduled work time shall be charged when calculating the amount of
44 leave taken. When exhausting leave, an employee continues to accumulate
45 leave, is entitled to holidays, and remains eligible for salary increases.
- 46 (7) Nothing in this section shall be construed to affect existing rules and policies
47 concerning the transferability of sick leave or how sick leave is handled upon
48 separation and reinstatement unless specifically set forth in this section.

49 **SECTION 2.21.(b)** Nothing in this section shall be construed to modify the treatment
50 of sick leave for purposes of retirement credit under Chapter 135 of the General Statutes.
51

1 **PART III. COST-OF-LIVING ADJUSTMENT FOR RETIREES OF THE TEACHERS'**
2 **AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE CONSOLIDATED**
3 **JUDICIAL RETIREMENT SYSTEM, THE LEGISLATIVE RETIREMENT SYSTEM,**
4 **AND THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM**

5 **SECTION 3.1.(a)** G.S. 135-5 is amended by adding a new subsection to read:

6 "(aaaa) Effective July 1, 2026, the retirement allowance payable to, or on account of,
7 beneficiaries whose retirement commenced on or before July 1, 2025, is increased by three
8 percent (3%) of the allowance payable on June 1, 2025, in accordance with subsection (o) of this
9 section. Effective July 1, 2026, the retirement allowance payable to, or on account of,
10 beneficiaries whose retirement commenced after July 1, 2025, but before June 30, 2026, is
11 increased by a prorated amount of three percent (3%), as determined by the Board of Trustees
12 based upon the number of months that a retirement allowance was paid between July 1, 2025,
13 and June 30, 2026."

14 **SECTION 3.1.(b)** G.S. 135-65 is amended by adding a new subsection to read:

15 "(ll) Effective July 1, 2026, the retirement allowance payable to, or on account of,
16 beneficiaries whose retirement commenced on or before July 1, 2025, is increased by three
17 percent (3%) of the allowance payable on June 1, 2025. Effective July 1, 2026, the retirement
18 allowance payable to, or on account of, beneficiaries whose retirement commenced after July 1,
19 2025, but before June 30, 2026, is increased by a prorated amount of three percent (3%), as
20 determined by the Board of Trustees based upon the number of months that a retirement
21 allowance was paid between July 1, 2025, and June 30, 2026."

22 **SECTION 3.1.(c)** G.S. 120-4.22A is amended by adding a new subsection to read:

23 "(ff) In accordance with subsection (a) of this section, effective July 1, 2026, the retirement
24 allowance payable to, or on account of, beneficiaries whose retirement commenced on or before
25 January 1, 2026, is increased by three percent (3%) of the allowance payable on June 1, 2026.
26 Effective July 1, 2026, the retirement allowance payable to, or on account of, beneficiaries whose
27 retirement commenced after January 1, 2026, but before June 30, 2026, is increased by a prorated
28 amount of three percent (3%), as determined by the Board of Trustees based upon the number of
29 months that a retirement allowance was paid between January 1, 2026, and June 30, 2026."

30 **SECTION 3.1.(d)** G.S. 128-27 is amended by adding a new subsection to read:

31 "(hhh) Effective July 1, 2026, the retirement allowance payable to, or on account of,
32 beneficiaries whose retirement commenced on or before July 1, 2025, is increased by three
33 percent (3%) of the allowance payable on June 1, 2025, in accordance with subsection (k) of this
34 section. Effective July 1, 2026, the retirement allowance payable to, or on account of,
35 beneficiaries whose retirement commenced after July 1, 2025, but before June 30, 2026, is
36 increased by a prorated amount of three percent (3%), as determined by the Board of Trustees
37 based upon the number of months that a retirement allowance was paid between July 1, 2025,
38 and June 30, 2026."

39 **SECTION 3.2.** There is appropriated from the General Fund to the Reserve for
40 Retiree Cost-of-Living Adjustments the sum of two hundred fifty million dollars (\$250,000,000)
41 in recurring funds for the 2026-2027 fiscal year to implement this Part.
42

43 **PART IV. EFFECTIVE DATE**

44 **SECTION 4.** This act becomes effective July 1, 2026.