

# State Budget Update

November 3, 2025



**UNIONCOUNTY**  
north carolina

# House Bill 125/Session Law 2025-89

- First in a series of “mini-budget” bills since July 1
- Signed into law on August 6, 2025
- Highlights
  - \$1 billion for disaster relief, capital construction, & infrastructure
  - \$600 million for Medicaid rebase, covering changes in enrollment and service costs (DHHS requested \$819 million)
  - Increases beginning teacher pay from \$41,000 to \$44,500 for the 2025-26 school year
  - Provides an additional 1.0% pay raise for most state employees as part of automatic step increases
  - Funds K-12 schools and community colleges for enrollment growth

# House Bill 358/Session Law 2025-92

- Second “mini-budget” bill
- Signed into law on September 30, 2025
- Highlights
  - Additional \$50 million in capital funding for state construction projects
  - Additional \$15 million in disaster relief funding for Tropical Storm Chantal
  - Other technical adjustments

# Senate Bill 449/Session Law 2025-97

- Third “mini-budget” bill
- Signed into law on October 23, 2025
- Highlights
  - \$12 million for broadband fiber damaged by Hurricane Helene
  - \$3 million for avian flu response
  - \$11.9 million for public safety investments, including emergency radio network and funding to cover costs for SBI to conduct fingerprint and background checks for local governments
  - \$22 million for state systems, including human resources and budget information technology systems

# Budget Stalemate

- The state is still without a full budget with no pay raises for teachers or state employees
- Both House and Senate agree on increasing funding for the Medicaid rebase
- However, both chambers disagree on whether to adjust levels of state revenue that will trigger future tax cuts and to include funding for a new children's hospital
- The legislature is scheduled to return to sessions on November 17-20 and December 15-18, but attendance could be low due to the holidays, and a vote is unlikely