



STATE BUDGET UPDATE

AUGUST 6, 2026

2026 STATE BUDGET ACT (SB 257 / SL2026-41)

STATE BUDGET TIMELINE

- House & Senate Ratified Budget Language
July 2, 2026
- Governor Signed Bill Into Law
July 7, 2026
- Effective Date of Legislation
July 1, 2026

**ACCESS
FULL
BUDGET
BILL**



AGENDA

- 1 Key Legal Analysis Related to Statutory Procurement Changes, Local Well Rules, and HB171**
- 2 Other community and operational impacts from state budget**
- 3 Framework for administrative implementation of legislative changes**

Key Legal Analysis

HUB Office & Procurement Changes (SB 257 / SL2026-41)

HUB Office: Eliminates the office for historically underutilized businesses (HUB) – Section 22.5.(a)

Remove State Policy Promoting MWBE Use for Goods & Services: redacted language promoting the use of minority, physically handicapped, and women contractors in State purchasing of goods and services. – Section 22.5.(g)

Abolishes G.S. 143-128.2 & 128.4: requirements for certain building contracts to consider diverse bidders, or to set goals to include minority and women-owned business participation in good faith. – Section 22.5.(h)-(n)

Repeal Local Acts: authorizing a local government to establish a minority or women owned business enterprise participation plan. - Section 22.5 (w)

Local Well Rules (HB376 / S.L. 2026-32)

Prohibition: prohibits local health departments from adopting or enforcing local permitting, construction, repair or inspection requirements for private drinking water wells that differ from State requirements.

Application: only to private drinking water wells and does not affect local rules for non-potable wells.



DEI Legislation (HB171)

Effective Date Changed: to July 1, 2027 if veto overridden by the Senate.

Reporting Date: reports on efforts take to comply with the law date changed to February 28, 2028



OTHER COMMUNITY & OPERATIONAL IMPACTS FROM STATE BUDGET

- 1 Various Direct Organizational Impacts: Medicaid, Code Fees, and Economic Development Reporting
- 2 Public Safety Funding
- 3 Guilford County Schools and GTCC Funding
- 4 Community Grants to Nonprofits & Municipalities



Various County Direct Impacts

SUSTAINED FUNDING FOR MEDICAID

Medicaid costs were funded at approx. \$1B, funding Medicaid rebase for this fiscal year. Sustainability of medicaid funding is still unclear for future years, and administrative burden of H.R.1 implementation still falls to Counties.

NEW FEE: STATE BUILDING CODE REGULATORY FUND

New building permit fees were added, effective January 1, 2027. These are to be collected by local governments and remitted to the state on a quarterly basis. The fees include:

- \$100 for Commercial Permits
- \$25 for Residential Permits
- \$10 for Other Building Permits

ECONOMIC DEVELOPMENT CONTRACTS & REPORTING

Economic development payments over \$25k must be tracked and reported to the state

Required contract provisions amended to remove utilization of minority, handicapped, & women contractors language

Public Safety Funding

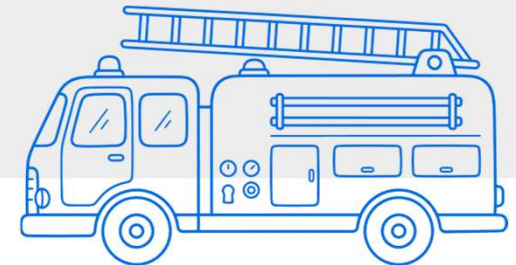
LOCAL LAW ENFORCEMENT BONUSES ~\$416,500 TOTAL

One-time bonus of \$1,750 for any sworn local law enforcement officer employed as an officer on June 30, 2026

To be awarded by the State Bureau of Investigation with payment targeted for October 15, 2026

RURAL FIRE DEPARTMENT FUNDING \$300,000

Direct grant to Guilford County Fire and Rescue Council to distribute to local fire departments



GCS & GTCC Funding

GUILFORD COUNTY SCHOOLS

SALARY INCREASES

8% Average for Teachers
3% for Noncertified Staff,
Central Office Staff, and
Principals

ONE-TIME BONUSES

\$1000 for Teachers with 16+ Years
\$500 for Teachers with 0-15 Years
\$1,750 for Employees with Salary under \$65,000
& Nutrition/Custodial Personnel
\$1000 for Employees with Salary over \$65,000

TEACHER SUPPLEMENT

Eligible for approx.
\$750-\$1300
per teacher



GUILFORD TECHNICAL COMMUNITY COLLEGE

SALARY INCREASES

3% for Most State Agency, University, & State-
Funded Community College Employees

AVIATION CAMPUS FUNDING

\$7.5 Million (of a \$30 Million match) for GTCC
Aviation Center



Community Grants

COMMUNITY BASED ORGANIZATIONS

\$175 MILLION TOTAL

- **\$133.9 Million:** JetZero Project
- **\$30 Million:** Greensboro Sports Foundation for Coliseum
- **\$5 Million:** Children's Home Society Foundation
- **\$2 Million:** Peacehaven Farm
- **\$1 Million:** Fellowship Hall (opioid)
- **\$1 Million:** Greensboro Science Center
- **\$800,000:** Cone Health R.E.A.C.H. Maternity Clinic (opioid)
- **\$500,000:** Freedom House (opioid)
- **\$500,000:** High Point University
- **\$200,000:** Oak Ridge Military Academy
- **\$50,000:** Senior Resources: Meals on Wheels of High Point
- **\$50,000:** NC Folk Festival

MUNICIPALITIES

\$8.85 MILLION TOTAL

- **\$5 Million:** Greensboro for Water Infrastructure
- **\$1.35 Million:** Pleasant Garden for Water Infrastructure
- **\$850,000:** Oak Ridge (including Water Infrastructure)
- **\$850,000:** Stokesdale (including Water Infrastructure)
- **\$350,000:** Summerfield
- **\$250,000:** Jamestown
- **\$100,000:** Sedalia for Water Infrastructure
- **\$100,000:** Whitsett for Capital Improvements



Administrative Implementation of Changes



Staff Committee

County Manager's Office
County Attorney's Office
Finance Department
Human Resources Department
Communications Department

Action In-Progress & What's Coming Next

- Solicitation Rejections & Rebidding
- Contract Template Modifications & Increased Legal Review
- Department Evaluation Matrix for DEI Compliance
- CBO Application Refresh (future work session)
- SBED Program Redesign (future work session)
- Updates to our Local Well Rules (future work session)
- Updated Procurement Policies (future agenda item)
- Fee Schedule Amendment (future agenda item)



Questions?



Guilford County Government

