

# News from Jones Street

*Your legislative updates from Jackson Cozort,  
RGEA Director of Government Relations*

**April 24, 2026**

## **And We Are Off... Or Are We?**

The General Assembly officially gaveled into the 2026 short session this week, but if you were expecting immediate movement, you would have been disappointed. Although session has formally started, there was little in the way of committee meetings or meaningful legislation moving in the opening days. This is not at all unusual, and more importantly, it appears much of the real work might already be happening behind the scenes.

While the public-facing calendar remains light, there are growing indications that House and Senate leadership have quietly resumed preliminary budget negotiations. These early conversations are critical, as they will determine not only the pace of the session, but whether lawmakers can avoid another prolonged stalemate like the one that defined much of last year.

At the center of those early discussions is a familiar and unresolved issue. The primary sticking point continues to be the tax package. From what we are hearing, meaningful progress on the broader budget will not be considered until House and Senate leadership can come to an agreement on tax policy. In practical terms, that means there may be little to no movement on major spending items, such as teacher and state employee raises, as well as state retiree bonuses, until the two chambers find a common ground on a tax package. Just like in 2025, the tax debate is shaping up to be the impasse that will continue to hold up a comprehensive budget.

Adding another layer of complexity to this year's session is the shifting political landscape within the Senate. The recent primary defeat of long-time Senate leader Phil Berger by Rockingham County Sheriff Sam Page sent a clear signal through Jones Street. Regardless of how the transition ultimately unfolds, the result has already introduced a degree of uncertainty into the Senate's internal dynamics. Leadership stability has long been a defining feature of the chamber, and any disruption to that structure can have ripple effects on negotiations, priorities, and the overall tone of the session.

As the short session begins to take shape, much of the focus will remain on how and when these early negotiations translate into real movement. For retirees, key decisions on the budget, including potential bonuses, remain tied to unresolved differences on tax policy. RGEA will continue to monitor developments closely and advocate for meaningful action, ensuring that the voices of North Carolina's retired public servants remain part of the conversation as it moves forward.

This week RGEA also attended an association roundtable meeting at the Treasurer's office. These roundtable meetings happen prior to the TSERS/LGERS official board meetings where we get a preview of what will be discussed in the upcoming board meetings. We are currently working with the Treasurer's office to find innovative ways to give the LGERS board more ability to provide COLAs to Local Retirees and loosen the statutory restrictions currently in place. RGEA will keep you posted as we continue with this process.

### **April 17, 2026**

The General Assembly will return to Raleigh on Tuesday, April 21, to begin the 2026 Short Session, and the most significant issue still hanging in the balance is the State Budget.

What has made reaching a final agreement so difficult thus far has largely centered around differences in the tax packages put forward by the House and the Senate. Senate President Pro Tempore Phil Berger has been the leading advocate for the Senate's approach. However, following his recent primary loss, Senator Berger will not be returning to the legislature in 2027. That development raises an interesting question as negotiations resume: will this outcome cause him to dig in further on his position, or present an opportunity to move toward a more balanced agreement with the House?

Beyond tax policy, several other major issues remain unresolved. Differences in proposed raises for teachers and state employees, along with the question of whether to provide any financial relief for state retirees, have also contributed to the ongoing stalemate. The House included a 3% one-time bonus for state retirees spread over two years, while the Senate's proposal did not include any state retiree bonus at all. As negotiations continue, many retirees will be watching closely to see whether meaningful relief remains part of the final budget conversation.

At the same time, a separate but equally important development took place this week at the North Carolina Supreme Court, where oral arguments were heard regarding whether to decertify the Lake versus the State Health Plan of North Carolina as a class action. All seven justices were present to hear arguments from both the State and the plaintiffs, marking another step forward in a case that has now spanned more than 14 years. While the hearing represents progress, it is important to note that the Court is under no obligation to issue a ruling within any specific timeframe. Although there is hope for a timely decision, it is more likely that it will take several months, and possibly longer, before a ruling is issued.

As the Short Session begins and budget negotiations resume, both the legislative and judicial paths forward remain uncertain. What is clear, however, is that the decisions made in the coming weeks will send a strong signal from our elected officials about the value they place on the individuals who have dedicated their careers to serving this state.

Also, this week, we were pleased to have the State Treasurer and his senior staff team join us for our latest RGEA Lunch and Learn webinar titled "COLA Considerations: The Data and Discipline behind Determinations." During this webinar, Treasurer Briner goes over exactly what is necessary to determine how both LGERS and TSERS can receive Cost-of-Living Adjustments (COLAs) through the pensions' investment returns. RGEA Executive Director Tim O'Connell hosted this program and had the opportunity to ask the Treasurer and his team questions directly from participating RGEA members, including the impact of the State not having passed a budget, the status of cryptocurrency regarding pension investments, and the potential impact of recent governance changes on LGERS.

If you missed the Lunch and Learn, you can re-watch it here on RGEA's YouTube Channel.

On a separate topic, the State Health Plan has restarted its search for a new third-party administrator after no bidders met the requirements in its first attempt. Aetna currently provides these services and is under contract to do so until December 2027. RGEA will monitor this evolving situation and keep you informed.

### **April 7, 2026**

#### **Budget Talks Continue as Short Session Approaches**

It was a pretty quiet week on Jones Street as the dust continues to settle from the primary elections, and the beginning of the short session begins to peek its head above the horizon. The legislature is scheduled to return at the end of April with one thing on their minds: finally passing a state budget.

In an interesting twist, Democratic Senate Minority Leader Sydney Batch has offered to deliver 20 Senate Democratic votes to vote for the budget if Senate Republicans would agree to the House's version of the budget, which included larger raises for teachers and state employees, as well as a 3% bonus for state retirees. Although it is unlikely that Senate Republicans will immediately take her up on that offer, it is important to note that a very large majority of the House, the Governor, and now the Senate Democrats all support the House's version of the budget. It is now just the Senate Republicans who are holding up this budget process.

Just a reminder: the motion to decertify the Lake Case as a class action lawsuit is scheduled for oral argument before the state Supreme Court on April 14 in Raleigh. RGEA would really like a strong presence attending this. If you have the ability to get to this event, please contact me at [govrelations@rgea.info](mailto:govrelations@rgea.info) so we can make all the arrangements.

Also, on April 15, please do not forget to tune in to our monthly Lunch and Learn webinar, "COLA Considerations: The Data and Discipline behind Determinations." This one will feature State Treasurer Brad Briner, and he will be discussing both state and local COLAs and the factors that drive them.