



SENATE BILL 257: 2026 Appropriations Act, Sec. 7.16: Magic School Academic Support Program

2025-2026 General Assembly

Analysis of: S.L. 2026-41, Sec. 7.16

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Section 7.16 of S.L. 2026-41 (Senate Bill 257) establishes the Magic School Academic Support Program (Program) that allows public school units (PSUs) to contract with MagicSchool, Inc. for use of the academic support service MagicSchool in grades 6 through 12. MagicSchool is an application that uses artificial intelligence to (i) support teachers with lesson plan development and (ii) support students with lesson comprehension.

The Department of Public Instruction (DPI) must establish a process for PSUs to elect to participate in the Program. PSUs can request licenses up to the total of both (i) the average daily membership in grades 6 through 12 enrolled in the public school unit and (ii) teachers and administrators for students in grades 6 through 12 enrolled in the PSU. DPI must allocate funds to PSUs based on the amount of funds requested. If there are insufficient funds, DPI must allocate funds to PSUs that elect to participate on a pro rata basis.

PSUs that receive Program funds must use the funds to contract with MagicSchool, provide associated professional development, or purchase rostering programs required as part of the Program.

PSUs can contract with MagicSchool for one year terms. By July 15 following each year in which Program funds are used and prior to contracting with Magic School for the subsequent school year, PSUs must submit an evaluation to DPI on the use of MagicSchool in the unit. The evaluation must include all of the following:

- The number of students using the MagicSchool application.
- The average number of artificial intelligence generation outputs students had with the MagicSchool application monthly.
- The number of teachers using the application.
- The average number of artificial intelligence generation outputs teachers had with the MagicSchool application monthly.
- Any identified impact on student outcomes.
- Any identified impact on teacher satisfaction.
- The number of moderation flags generated by the application.

PSUs that participate in the Program must use a secure, cloud-based, single sign-on and class rostering platform approved by DPI to manage access to digital instructional resources and student information systems and to facilitate automated data integration between educational applications and PSU systems.

DPI must contract with MagicSchool for up to 500 MagicSchool licenses for use in schools operated by the Division of Juvenile Justice of the Department of Public Safety (DPS). DPI must provide technical

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Senate Bill 257

Page 2

support to DPS. DPS must comply with the same evaluation requirements as PSUs participating in the Program.

By April 1, 2028, the Office of Learning Research at the North Carolina Collaboratory (OLR) must study and report on the effectiveness of using MagicSchool, including any impact on student performance and growth. OLR must submit the report to the Joint Legislative Education Oversight Committee (JLEOC).

By October 15 following each year funds are provided for the Program, DPI must report to JLEOC on the following:

- The number of PSUs that contracted with MagicSchool as part of the Program.
- The number of students using the MagicSchool application.
- The average number of artificial intelligence generation outputs students had with the MagicSchool application monthly.
- The number of teachers using the application.
- The average number of artificial intelligence generation outputs teachers had with the MagicSchool application monthly.
- Any identified impact on student outcomes.
- Any identified impact on teacher satisfaction.
- The number of moderation flags generated by the application.

This section became effective July 1, 2026.