

AGENDA ITEM

A-3. 2026-27 Operating Budget Allocations Brandy Andrews

- Situation:** While most of the funding for each institution’s current operations budget comes in the base budgets approved by the North Carolina General Assembly, some funds for expansion and improvements are appropriated to the University of North Carolina Board of Governors for allocation to the institutions.
- Background:** One of the principal responsibilities of the University of North Carolina Board of Governors is to “develop, prepare, and present to the Governor and the General Assembly a single, unified recommended budget for the constituent institutions of the University of North Carolina” [G.S. 116-11(9)a]. Typically, in odd numbered years, the governor recommends and the General Assembly enacts a biennial (two-year) budget. In even-numbered years, adjustments are made to the budget for the second fiscal year of the biennium. In 2025 a biennial budget was not enacted and adjustments to base budgets were made through various mini bills.
- Assessment:** During the Short Session, the General Assembly approved the 2026-27 budget, as enacted through the 2026 Appropriations Act (S.L. 2026-41). Many of the budget adjustments appropriated funds to the Board of Governors for allocation and require Board action. The recommended allocations meet all the General Assembly directives as enacted. In addition, changes were made directly to institutional budgets.
- Action:** This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

2026-27 Operating Budget Allocations

This document includes actions taken by the North Carolina General Assembly for the University of North Carolina System in Session Law 2026-41, *2026 Appropriations Act*, and Session Law 2026-42, *Budget Technical Corrections*. A comparison of the short session 2026-27 budget adjustments to the University of North Carolina Board of Governors budget priorities can be found in Appendix A.

It is recommended that the following proposed allocations for FY 2026-27 be approved, and that the president be authorized to make refinements in the interest of accuracy and completeness. It is also recommended that the president be authorized to seek such concurrence as may be required of the director of the budget in the allocation of budget priorities.

A. Recommended Allocations for Items Requiring Board Approval

1. UNC Enrollment Funding

Two years of enrollment change funding was requested in the 2026 Short Session due to UNC System enrollment funding not being included in the 2025 legislation enacted by the General Assembly. Enrollment funding was appropriated on both a recurring and nonrecurring basis. The 2024 enrollment change from FY 2025-26 appropriated \$46,375,508 nonrecurring and \$107,504,366 recurring for the 2025 enrollment change.

Without an enacted budget in 2025, enrollment funding reallocations were approved in July 2025. Previously approved reallocations will be reversed to reflect the appropriations in the table below for FY 2026-27.

Table 1: 2026-27 UNC Enrollment Funding

Institution	Nonrecurring 2024 Enrollment Change	Recurring 2025 Enrollment Change
App State	\$4,399,924	\$1,089,969
ECU	(4,129,746)	(2,560,939)
ECSU	565,890	1,790,130
FSU	2,496,837	3,558,550
N.C. A&T	(778,165)	9,572,637
NCCU	4,713,562	4,958,126
NC State	14,048,265	21,061,328
UNCA	831,429	1,133,628
UNC-CH	2,443,372	15,237,040
UNCC	8,588,565	21,751,865
UNCG	6,399,830	8,961,440
UNCP	875,241	3,420,994
UNCW	5,244,133	12,342,090
UNCSA	923,652	611,532
WCU	143,610	2,481,724
WSSU	(483,783)	1,925,619
NCSSM	92,892	168,636
Total	\$46,375,508	\$107,504,366

2. UNC Building Reserves

The General Assembly appropriated \$9,450,701 in recurring funds and \$1,513,601 in nonrecurring funds to operate and maintain the Conservatory for Biodiversity and Educational Research (CBEAR) and Peacock Hall Addition at Appalachian State University, the Flight School and Infrastructure Phases I, II, and III at Elizabeth City State University, the College of Education at Fayetteville State University, the Apiculture Facility and the STEM Building (Integrative Sciences Building) at NC State University, the School of Business Addition (Bell Hall) at UNC-Chapel Hill, and Joiner Hall and Student Wellness Center at NC School of Science and Mathematics-Morganton Campus. The allocation is based on the UNC System building reserve model, and it is recommended the funds be allocated as shown in Table 2.

Table 2: 2026-27 UNC Building Reserves

Institution	Recurring	Nonrecurring
App State	\$1,244,131	\$305,950
ECSU	1,577,227	288,144
FSU	1,148,437	184,201
NC State	4,550,232	735,306
UNC-CH	773,727	-
NCSSM	156,947	-
Total	\$9,450,701	\$1,513,601

3. Cheatham-White Scholarships

The General Assembly appropriated \$3,150,000 recurring in FY2026-27 to expand the number of merit scholarships and add Winston-Salem State University to the program.

Table 3: Cheatham-White Scholarships

Institution	Recurring
N.C. A&T	\$1,500,000
NCCU	\$750,000
WSSU	\$900,000
Total	\$3,150,000

4. Nonresident Graduate Tuition Waiver

The General Assembly reduced the appropriation for Graduate Tuition Waivers by \$1,000,000 nonrecurring in FY 2026-27. The reduction will be allocated pro rata based on each institution's General Fund nonresident graduate assistant waiver expenditures.

Table 4: Nonresident Graduate Tuition Waiver Reduction

Institution	FY25 Nonresident Graduate Tuition Waiver	% of Total Amount	Nonrecurring Pro Rata Share of Reduction
App State	\$326,090	0.7%	(6,689)
ECU	2,184,668	4.5%	(44,813)
N.C. A&T	685,095	1.4%	(14,053)
NCCU	558,179	1.1%	(11,450)

NC State	14,209,946	29.1%	(291,481)
UNC-CH	19,320,000	39.6%	(396,300)
UNCC	4,239,870	8.7%	(86,970)
UNCG	4,883,608	10.0%	(100,175)
UNCSA	279,357	0.6%	(5,730)
UNCW	1,704,101	3.5%	(34,955)
WCU	342,664	0.7%	(7,029)
WSSU	17,326	0.04%	(355)
Total	\$48,750,904	100%	(\$1,000,000)

B. Budget Allocations Delegated to the President

1. NC Promise Tuition Plan

The General Assembly appropriated \$4,950,000 recurring for the NC Promise Tuition Plan, which sets undergraduate tuition at \$500 per semester for NC residents and \$3,500 per semester for nonresidents (per S.L. 2026-41, Section 8.12.(a), nonresident tuition will be \$4,000 per semester beginning in FY 2027-28) at Elizabeth City State University, Fayetteville State University, UNC Pembroke, and Western Carolina University. In addition, \$3,000,000 nonrecurring was appropriated for an NC Promise Tuition Plan Reserve, which is a new contingency fund to be used in the event that funds appropriated for NC Promise are insufficient to fully cover the program's cost.

Funds will be allocated based upon enrollment to the four NC Promise institutions after fall census and adjusted after spring census. It is recommended that the president be authorized to make allocations for 2026-27 as enrollment data becomes available.

2. Compensation Increase Reserve

The General Assembly appropriated \$121,195,851 in recurring funds for 2026-27 for a three percent across-the-board salary increase and \$43,957,929 nonrecurring funds for a \$1,750 one-time bonus for most employees earning \$65,000 or less and a \$1,000 one-time bonus for most employees earning more than \$65,000. Increases are for UNC System employees both subject to and exempt from the State Human Resources Act (SHRA and EHRA). Although funding for compensation was appropriated directly to the UNC System budget, the allocation will be approved by the Office of State Budget and Management based on actual employee salary data as of June 30, 2026. The recurring funds will impact the employee's base salary and retirement contributions. Compensation increase reserve funds also include adjustments for an additional five percent for high school teachers at UNCSA and NCSSM, who are paid based on the Teachers Salary Schedule, for a total of eight percent.

3. Sworn Law Enforcement Salary Adjustments

The General Assembly appropriated \$4,749,821 in recurring funds for salary adjustments in addition to the three percent across-the-board salary increases, for a total of 13 percent in FY 2026-27.

4. State Retirement Contributions — TSERS Members

The General Assembly appropriated \$11,329,014 in recurring funds and \$11,733,622 in nonrecurring funds in FY 2026-27 to fund the actuarially determined contribution and retiree medical premiums for members of the Teachers' and State Employees' Retirement System (TSERS). The funds also provide a one-time cost of living supplement of two and one-half percent to retirees.

5. State Retirement Contributions — ORP Members

The General Assembly appropriated \$5,339,219 in recurring funds to fund retiree medical premiums for members of the Optional Retirement Program (ORP).

6. State Health Plan

The General Assembly appropriated \$15,231,974 in recurring funds in FY 2026-27 to support health benefit coverage for enrolled active employees supported by the General Fund.

7. Healthcare Workforce Program Expansion

The General Assembly appropriated \$9,000,000 in recurring and \$9,500,000 in nonrecurring funds to the UNC Board of Governors to allocated to constituent institutions to support the development and expansion of courses that lead to a degree in healthcare-related fields.

8. Rural Residency Medical Education and Training Funds

The General Assembly appropriated \$4,898,216 in recurring funds and \$4,500,000 in nonrecurring receipts to the UNC Board of Governors for UNC System Rural Residency Medical Education and Training Fund.

9. Information Technology Rates

The General Assembly appropriated \$65,396 in recurring funds for the increase in the Department of Information Technology (DIT) FY 2026-27 rates. These funds were appropriated to the UNC System Office, Institutional Programs (Board Reserve), and it is recommended that the president be authorized to make further allocations.

C. Appropriated Directly to Campuses and Other Entities

The General Assembly increased appropriations directly to several institution budgets, the North Carolina State Education Assistance Authority (NCSEAA), and other entities, which do not require Board allocation. These are described below, for information only.

1. Athletic Department Support from Sports Wagering Receipts

The General Assembly budgeted \$28,260,005 in recurring additional receipts based on changes to the sports wagering tax forecast, tax rate, and allocation formula. ECSU, FSU, UNCP, and WSSU received an additional \$1,435,385 in additional receipts for a total of \$2.6 million each. App State, ECU, N.C. A&T, NCCU, UNCA, UNCG, UNCC, UNCW, and WCU received an additional \$1,835,385 in additional receipts for a total of \$3.0 million each. NC State and UNC-CH were added to the revenue formula and received \$3,000,000 each in receipts.

2. UNC-CH Collaboratory

The General Assembly appropriated \$7,500,000 in recurring funds and \$50,025,000 in nonrecurring funds and receipts to the Collaboratory for various projects.

3. UNC-CH School of Civic Life and Leadership

The General Assembly appropriated \$5,000,000 in recurring funds to provide additional operating funds to the School of Civic Life and Leadership.

4. UNC-CH North Carolina Economic Forecasting Initiative

The General Assembly appropriated \$3,000,000 in nonrecurring funds to the Kenan Institute of Private Enterprise at the Kenan-Flagler Business School to provide county-level nowcast and forecast economic data to support economic development across North Carolina.

5. UNC-CH & NC State Unexpended ARPA-TSF Fund Transfer

The General Assembly transferred unexpended ARPA Temporary Savings Fund receipts of \$2,000,000 nonrecurring from UNC-CH School of Medicine Department of Health Sciences to NC State to contract with the North Carolina Association of Future Farmers of America, Inc. to administer grants to support agriculture education at middle and high school Career and Technical Education programs.

6. UNC-CH Rural Health Care Stabilization Fund Transfer

The General Assembly appropriated \$10,000,000 nonrecurring receipts from the Rural Health Care Stabilization Fund to Area Health Education at UNC-Chapel Hill.

7. UNC-CH Mountain Area Health Education Center

The General Assembly appropriated \$2,123,000 nonrecurring and \$1,000,000 recurring funds for the Mountain Area Health Education Center.

8. NC State Engineering Expansion

The General Assembly appropriated \$5,000,000 in recurring funds for faculty, staff, equipment, facility improvements, and other resources to support an expansion of the College of Engineering.

9. NC State NC Food Innovation Lab

The General Assembly appropriated \$810,000 in recurring and \$2,700,000 in nonrecurring funds for equipment, supplies, lease, and personnel costs.

10. NC State AI Teacher Training Resources

The General Assembly appropriated \$400,000 in nonrecurring funds for the Friday Institute for Educational Innovation to design, produce, and implement online training modules and resources for teachers related to artificial intelligence.

11. NC State CMAST Pathologist Position

The General Assembly appropriated \$125,000 in recurring funds for the position and eliminated the receipts transfer from the Department of Environmental Quality to NC State's Center for Marine Sciences and Technology (CMAST) . The total budget for the position is unchanged.

12. UNCG BRIGHT Institute

The General Assembly appropriated \$1,000,000 in nonrecurring funds to support the Battery Research, Innovation, and next-Gen Energy Harvesting Technologies (BRIGHT) Institute. Funds will assist in offering new certificate programs, establishing a workforce development program, and building research capacity.

13. UNCC Data Science and Battery Engineering and Recycling

The General Assembly appropriated \$2,500,000 in recurring and \$500,000 in nonrecurring funds to expand the data science programs and battery engineering and recycling initiatives.

14. ECU Retain NC Talent Scholarship Fund

The General Assembly appropriated \$5,000,000 in nonrecurring funds to create endowed merit scholarships that will be matched with private funds.

15. ECU Virtual School Psychology Training Program

The General Assembly appropriated \$1,000,000 in nonrecurring funds to operate a virtual school psychology training program.

16. ECU Rural Family Medicine Residency Program

The General Assembly appropriated \$2,851,784 in recurring funds to the program, which places medical residents in rural locations for training.

17. N.C. A&T Research Funds for R1 Designation

The General Assembly appropriated \$10,600,000 in recurring funds to increase research spending and doctoral degrees, including in programs related to agriculture research.

18. WCU Laboratory School Relocation Costs

The General Assembly appropriated \$792,000 in nonrecurring funds for cost incurred in moving The Catamount Laboratory School to WCU's campus.

19. FSU 30/60/90 Summer Initiative

The General Assembly appropriated \$2,000,000 in recurring funds for its summer school program that provides scholarships to students to facilitate on-time degree completion.

20. NCSEAA Need-Based Scholarship for Public Colleges and Universities

The General Assembly adjusted how the scholarship is funded. Receipts from the Education Lottery Fund were reduced by \$15,050,801 recurring and receipts from the Escheat Fund were increased by \$15,050,801 recurring. The total budget for the program is unchanged.

21. NCSEAA Private College and University Need-Based Scholarships

The General Assembly appropriated \$7,000,000 in nonrecurring funds for students attending private institutions of higher education.

22. NCSEAA PESA Program

The General Assembly appropriated \$17,554,914 in recurring funds to the Personal Education Student Accounts for Children with Disabilities (PESA) Program to distribute awards to all eligible applicants when considering historical award acceptance trends.

23. NCSEAA Advise NC College Access Initiative

The General Assembly appropriated \$2,500,000 in recurring and \$2,500,000 in nonrecurring funds to implement the initiative, which places college advisors in high-need regions of the State with the coordination of UNC constituent institutions and other partners.

24. NCSEAA Nursing Fellows Forgivable Education Loan Pilot Program

The General Assembly appropriated \$4,300,000 in nonrecurring funds to administer a nursing fellows pilot program at Winston-Salem State University and select community colleges. The program will provide unforgivable education loans and support services to nursing students who go on to serve as a nurse or nurse instructor in the State.

25. NCSEAA The Early Graduate Scholarship Program

The General Assembly appropriated \$1,000,000 in nonrecurring funds for a postsecondary education grant program for students who graduate from a public school within three years of entering the ninth grade.

26. NCSEAA Student-Based Educational Wallet Pilot Program

The General Assembly appropriated \$445,000 in nonrecurring funds to administer the pilot program at a public high school chosen by NCSEAA to help families pay expenses for credit-bearing activities that occur outside of the classroom.

27. Patriot Foundation North Carolina Patriot Star Family Scholarship Program

The General Assembly appropriated \$1,500,000 in recurring funds for the North Carolina Patriot Star Family Scholarship Program to provide scholarships for children of currently serving members of the Armed Forces and for certain disabled veterans, along with their children and spouses, to attend eligible postsecondary institutions.

28. Parents for Education Freedom in North Carolina, Inc. School Choice Marketing and Outreach

The General Assembly appropriated \$750,000 in recurring funds to contract with Parents for Education Freedom in North Carolina, Inc. to offer families marketing and outreach services related to school choice offerings in North Carolina.

29. UNCISO Accelerate Transfer Pathways

The General Assembly appropriated \$2,500,000 in nonrecurring funds for the UNC System Office, in collaboration with the Community Colleges System Office and the Department of Information Technology to develop and expand programs that accelerate the transfer of course credits.

30. UNCISO SREB Dues

The General Assembly appropriated \$30,699 in nonrecurring funds to the UNC System Office to reimburse for a shortfall in funds appropriated to fully cover North Carolina's Southern Regional Education Board (SREB) membership for FY2025-26.

31. UNCISO Future Teachers of North Carolina

The General Assembly eliminated the Future Teachers of North Carolina Program and \$278,000 of recurring funds.

Appendix A



FY 2026-27 Operating Budget Comparison

	UNC Budget Priorities	Conference (as amended by H56)
	FY 2026-27	FY 2026-27
UNC System Priorities	169,794,176	172,794,176
UNC Enrollment Change ²	153,879,874	107,504,366
		46,375,508 NR
NC Promise Enrollment	4,950,000	4,950,000
NC Promise Tuition Plan Reserve ²		3,000,000 NR
Building Reserves ²	9,450,701	9,450,701
	1,513,601 NR	1,513,601 NR
Faculty and Staff Salaries and Benefits		213,537,430
Faculty and Staff Salary Increases	UNC System requests equity with State agencies and strongly supports Labor Market Adjustment Reserve funding.	121,195,851
One-time Bonus ²		43,957,929 NR
Sworn Law Enforcement Salary Adjustments		4,749,821
State Retirement Contributions: TSERS Members ²		11,329,014
		11,733,622 NR
State Retirement Contributions: ORP Members		5,339,219
State Health Plan		15,231,974
Other UNC System Items		164,428,100
Healthcare Workforce Programs Expansion ²		9,000,000
		9,500,000 NR
Rural Residency Medical Education and Training Fund ³		4,898,216
		4,500,000 NR
Cheatham-White Scholarships: Add WSSU and Expand N.C. A&T, NCCU		3,150,000
Nonresident Graduate Tuition Waivers		(1,000,000) NR
Athletic Dept. Support from Sports Wagering Receipts		28,260,005
UNC-CH: Collaboratory ^{2,4}		7,500,000
		50,025,000 NR
UNC-CH: School of Civic Life and Leadership		5,000,000
UNC-CH: NC Economic Forecasting Initiative ²		3,000,000 NR
UNC-CH: Area Health Education Rural Health Care Stabilization Fund Transfer ³		\$10m NR in appropriations replaced with \$10m NR in receipts
UNC-CH: Mountain Area Health Education Center		1,000,000
		2,123,000 NR
UNC-CH: Unexpended ARPA Temp Savings Funds		(2,000,000) NR
NC State: NC Future Farmers of America CTE Grants		2,000,000 NR
NC State: Engineering Expansion		5,000,000
NC State: NC Food Innovation Lab ²		810,000
		2,700,000 NR
NC State: AI Teacher Training Resources ²		400,000 NR
NC State: CMAST Pathologist Position		\$125k in receipts replaced with \$125k in appropriations
UNCG: BRIGHT Institute ²		1,000,000 NR
UNCC: Data Science and Battery Engineering and Recycling ²		2,500,000
		500,000 NR
ECU: Retain NC Talent Scholarship Fund ²		5,000,000 NR
ECU: Virtual School Psychology Training Program ²		1,000,000 NR
ECU: Rural Family Medicine Residency Program		2,851,784
N.C. A&T: Research Funds for R1 Designation		10,600,000
WCU: Laboratory School Relocation Costs ²		792,000 NR
FSU: 30/60/90 Summer Initiative		2,000,000
Accelerate Transfer Pathways ²		2,500,000 NR

Appendix A

	UNC Budget Priorities	Conference (as amended by H56)
	FY 2026-27	FY 2026-27
Information Technology Rates		65,396
SREB Dues ²		30,699 NR
Future Teachers of North Carolina		(278,000)
Total Budget Changes (Requirements)		551,759,706 9.4% *
Changes supported by State Reserves/Other State Receipts		228,786,364
Changes supported by State Appropriations		322,973,342 8.6% *
<i>Total Recurring Appropriation Change</i>		333,973,342
<i>Total Nonrecurring Appropriation Change</i>		(11,000,000)
Total Revised FY 2026-27 UNC Appropriation		4,096,228,127

Note: 1) All items are recurring unless specified as nonrecurring.
2) Nonrecurring receipts from the Stabilization and Inflation Reserve
3) Nonrecurring receipts from Rural Health Care Stabilization Fund
4) Nonrecurring receipts from Opioid Abatement Fund

*Percent Change from Base Budget

SEAA & Aid to Private Institutions Base Budget		
PESA Program	-	17,554,914
Private College and University Need-Based Scholarships	-	7,000,000 NR
Advise NC College Access Initiative	-	2,500,000
	-	2,500,000 NR
Nursing Fellows Forgivable Education Loan Pilot	-	4,300,000 NR
The Early Graduate Scholarship Program		1,000,000 NR
Student-Based Educational Wallet Pilot Program	-	445,000 NR
Need-Based Scholarship for Public Colleges and Universities	-	\$15m in Lottery Funds replaced with \$15m in Escheats
Patriot Foundation	-	1,500,000
Parents for Educational Freedom in NC:	-	750,000
School Choice Marketing and Outreach		
Total Budget Change (Requirements)		37,549,914 3.4% *
Changes supported by State Reserves/Other State Funds		15,245,000
Changes supported by State Appropriations		22,304,914 2.4% *
Total SEAA and Aid to Private Institutions	-	936,792,805

	Status Quo	Conference
	FY 2026-27	FY 2026-27
Sports Wagering Changes (\$28.26m net increase)		
Sports Wagering Tax Rate	18%	23%
Division II		Est. \$2.6 million each
Elizabeth City State University		
Fayetteville State University		
UNC Pembroke		
Winston-Salem State University		Equal Share of 19.5% of proceeds up to \$2.9m each
Division I -Non-FBS		
NC Agricultural & Technical State University		
NC Central University		
UNC Asheville		
UNC Greensboro		
UNC Wilmington		
Western Carolina University		
Division I - FBS*		
Appalachian State University		
East Carolina University		
UNC Charlotte		
NC State University		
UNC-Chapel Hill		
	\$0	Est. \$2.4 million each
		Est. \$3.0 million each
		Equal share of 19.5% of proceeds (up to \$2.9m each) plus Additional equal share of 2.2% of proceeds (up to \$400k)

*Effective July 1, 2027, Division I - FBS institutions will also receive an additional equal share of 5.7% of proceeds (up to \$2.5m).

Appendix B

S.L. 2026-41 Conference Provision Summary

Section & Title		Conference Budget
UNC Section		
8.2	Establish School of Civic Life and Leadership	Amendments to Chapter 116 of the General Statutes (G.S. 116-258.1.).
8.3	Repeal Future Teachers of North Carolina Program	Chapter 116 of the General Statutes is repealed.
8.4	Operation and Maintenance of Laboratory Schools	Establish standards for agreements between constituent institutions of the University of North Carolina and local school administrative units.
8.5	Require Reevaluation of Teaching Fellows Program	Develop a process to reevaluate all educator preparation programs at least every six years. If a program is removed, any loan recipient enrolled in the program at time of removal should maintain loan forgiveness eligibility.
8.6	Teaching Fellows Program Revisions	Prior Teaching Fellows Program revisions apply to all current program participants.
8.7	UNC Plan to Incorporate Position Information in BEACON/HR Payroll System	UNC System shall collaborate with OSC and the State CIO to develop a plan that incorporates UNC System payroll and position information in BEACON. The Board of Governors shall report the plan no later than April 15, 2027.
8.8	Cheatham-White Scholarship	Adds WSSU to the scholarship previously limited to students of N.C. A&T and NCCU. Increases the number of scholarships awarded.
Various	NC Collaboratory	Various provisions for the NC Collaboratory and the Office Of Learning Research (OLR).
8.11	UNC System Faculty Realignment Program	Codifies Faculty Realignment Incentive Program language.
8.12	Increase NC Promise Tuition for Nonresident Students	Nonresident undergraduate tuition at ECSU, FSU, UNCP, and WCU will be raised to \$4,000 per semester beginning in the 2027-28 academic year. Any nonresident student enrolled in 2026-27 academic year who remains continuously enrolled shall continue to receive that student's prior rate.
8.25	Establish NC Promise Reserve	Establishes a minimum of \$3M starting balance for NC Promise tuition buydown reserve. Carryforward permitted for unexpended or unencumbered funds.
8.13	NCSSM-Morganton Expansion Study	Study the feasibility of at least doubling in-person enrollment at NCSSM-Morganton. Determine resources needed to accommodate additional students, increase in students enrolled in remote instruction, and determine number of students not accepted due to lack of physical space or other resources. Plans shall be reported no later than February 15, 2027.
8.14	Protect Campus Survivors Act	Public records of disciplinary proceedings will not include personally identifiable information of any students enrolled at a UNC System institution or NC community college.
8.17	No Financial Benefit for Students Convicted of Assaulting Officers or Other State Employees	Beginning the term following a conviction, no student who has been convicted with assaulting an officer or state employee may receive a state-funded scholarship or grant. Nonresidents convicted will also be ineligible for in-state tuition rates.
8.18	Preservation of Student Records Held by Licensed Nonpublic Institutions	Additional language added to the enforcement authority of the Attorney General.
8.19	NC Student Warmline Information	UNC System institutions will provide students phone numbers for the Suicide and Crisis Lifeline and the NC Peer Warmline in the following places - any newly issued student ID, the campus website, home screens of electronic devices issued to students, any school agenda or calendar, and on documents in use for suicide awareness activities or student registration.
8.20	Rural Residency Medical Education and Training Fund	Establishment of an interest-bearing, nonreverting fund appropriated by the GA to support expenses for training, residency programs, and capital projects for medical school and health affairs programs at constituent institutions of UNC, UNC-CH and ECU, and private and public health entities in NC. No individual entity can spend more than \$200k annually on capital improvements. UNC System Office may use up to 5% for administration of the Fund.

Appendix B

Section & Title		Conference Budget
8.21	Postsecondary Transfer Technology Expansion	Directs the Board of Governors to collaborate with the NC Community College System Office and the Dept of Information Technology to identify programs to accelerate the transfer of course credits between postsecondary institutions, improve technology at participating institutions to simplify transfer planning and process at the system, institution, and student level. Report required no later than March 15, 2027.
8.29	North Carolina Economic Forecasting Initiative	Establishes the NC Economic Forecasting Initiative located within the Kenan Institute of Private Enterprise at the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill.
Salaries & Benefits		
41.14	Legislative Salary Increases &	A legislative salary increase of 3% for SHRA and EHRA employees. \$1,750 one-time bonus for most employees earning \$65,000 or less and \$1,000 one-time bonus for most employees earning more than \$65,000.
41.2	State-Funded Employee Bonus	
41.22		
41.17	State Law Enforcement Officer Salary Schedule/Increases	Salary schedule adjustment by experience, legislative adjustment of employee salary exceeds scheduled salary level.
41.19 7A.1	State Agency Teachers	NCSSM and UNCSCA employees paid based on the Teachers Salary Schedule included in authorization.
41.23	Use of Funds Appropriated for Legislative Salary Increases	No later than May 1, 2027 the Office of State Budget and Management shall report to the Fiscal Research Division on the expenditure of funds for legislatively mandated salary increases and employee benefits.
41.25	Salary-Related Contributions	Provides updated employer contributions rates for 2026-27.
UNC/SEAA Section		
8.1	UNC Escheat Fund Distribution	Provides additional operational guidance of student financial aid to and from the Escheat Fund.
8A.1	Student-Based Educational Wallet Pilot Program	Establish program administered by SEAA in coordination with one public school unit. The goal of the pilot is to establish a streamlined process for students to participate in credit-bearing activities. Report required no later than February 15, 2028.
8A.2	Revise Opportunity Scholarship Domicile Verification Requirements	Allows SEAA to contract with a third party to facilitate verification of information provided.
8A.3	Clarify Application Date for Opportunity Scholarship and PESA	Change dates for application availability and beginning of scholarship awards to designated days of the month rather than specific dates.
8A.4	Permit SEAA to Provide Payments for Tests for Opportunity Scholarship Recipients Using Alternative Methods	Revised language in G.S. 115C-562.2(b5).
8A.5	Clarify Opportunity Scholarship Residency Requirements	Defines residency requirements including exceptions for military-connected students. If grants awarded to military-connected students exceed available funds, SEAA may allocate unencumbered funds from the scholarship reserve to make up the difference.
8A.6	Extend and Revise Children of Wartime Veterans Scholarship Funding Flexibility for the 2027-28 Academic Year	SEAA will establish a formula and standardized payment schedule for maximum awards under the cost of the program. SEAA may adjust scholarship amounts based on number of applicants and fund availability. SEAA must post standardized payment schedule and report schedule to oversight committees. Application stage will open no later than April 1, 2027 for eligible students. Reporting on funds provided, number of applications, projected costs, and any award adjustments made by March 15, 2028.
8A.7	Require SEAA to Provide Testing Costs for Certain PESA Recipients and Permit Parents of Recipients to Opt Out of Testing	SEAA to cover testing costs. Parents may opt of out of testing in accordance with SEAA rules.
8A.8	Codify NC Patriot Star Family Scholarship Program	The Board of Governors will establish the program to administer scholarships to the Patriot Foundation and the Marine Corps Scholarship Foundation.

Appendix B

Section & Title		Conference Budget
8A.9	Revise Eligibility Requirements for Need-Based Scholarship for Private Colleges and Universities	Any institution located in NC that is not owned or operated by the state or political subdivision of the state must be accredited by SACSCOC as a level VI degree-granting institution and have a permanent physical location with classrooms with full-time faculty and administration that engage in postsecondary degree activity. Every eligible private institution must report all degree programs that enroll at least one student receiving said scholarship and must report the number of students enrolled in each stated degree program by April 15th of each year.
8A.10	Nursing Fellows Pilot Program	Establish at WSSU and select community colleges a pilot program to provide forgivable loans to eligible nursing students enrolled in a qualifying degree program interested in becoming nurses in NC or instructors in qualifying programs. An annual report shall be provided no later than January 1, 2028.
8A.11	Extend Carryforward and Expand Uses for Institutional Trust Fund for Personal Education Student Accounts for Children with Disabilities	Increases maximum fund balance from \$10M to \$15M. SEAA allowed to award scholarships in any fiscal year if listed criteria are met.
8A.12	Require Nonpublic Schools Receiving Opportunity Scholarship Funds to Retain Certain Testing Records and Verify Compliance	Revises G.S. 115C-562.5 for nonpublic schools to certify compliance and SEAA to select at least 4% of participating schools to verify certification of compliance.
8A.13	Early Graduate Scholarship Program Funds	Early Graduate Scholarship Program shall be used to provide scholarships to students beginning in the 2027-28 academic year.
8A.14	Advise NC	SEAA will establish and implement the Advise NC College Access Initiative. To the extent state funds are appropriated for the initiative, SEAA will provide matching state funds to place college access advisors in high-need or underserved regions of the state.
8A.15	Revise Appropriation for Personal Education Student Accounts for Children with Disabilities	Increases appropriation for funds for personal education student accounts beginning in 2027-28.
8A.16	Authorize Use of Personal Education Student Account Funds for One-to-One Classroom Aides	Revises G.S. 115C-591.
8A.17	Revise Primary Care Physician and Psychiatrist Targeted Assistance Loan Forgiveness Program	Raises maximum loan amounts to \$50,000 per year, total loans to \$200,000 per student.
8A.18	Reorganize Exemptions from the Administrative Procedure Act for Certain Education Entities and Clarify that these Exemptions Include the SEAA	Clarifies that exemptions include SEAA.
8A.19	Temporary Administrative Funds for the Educational Choice for Children Act	SEAA may use up to \$1M of any recurring or nonrecurring funds for the costs of administering the associated federal tax credit and report fund usage from 2027-28 forward.
Capital		
42.1	UNC System Capital Authorizations and Appropriations	Establishes new capital projects and increased capital authorizations for appropriated UNC System projects, including \$200M for UNC SCIF R&R projects in FY26-27. Provides an additional year for the UNC System Office lease in Raleigh. Provides \$1M for four years for System Office Capital Project Management positions.
42.1(f)	Carolina North Infrastructure	Carolina North Infrastructure project to include site mitigation and remediation, site preparation, parking, roads, utilities, and landscaping.
42.2	Six-Year Intended Allocation Schedule	Includes intended capital funding allocation schedule for UNC SCIF appropriated projects until FY32.
42.5.(b)	NC State Poe Hall Project	Assigns NCGA project code to NC State Poe Hall project.
42.5.(c)	Systemwide Space Planning Standards	Allows UNC Board of Governors to utilize unexpended funds from STEM study to develop systemwide space planning standards for constituent institutions and to report the recommendations by June 1, 2028.

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Section & Title		Conference Budget
42.7.(a)	Restricts Use of Appropriated Funds for Environmental and Sustainability Systems	Appropriated capital funds may not be used for environmental or sustainability systems or certification unless construction cost for such systems are recovered in ten years or less. Requires engineer or architect of record to provide certification.
42.11	N.C. A&T Chancellor Residence Transfer	Transfers N.C. A&T's chancellor's residence to its real estate foundation. Proceeds from the sale to be used to purchase a new chancellor's residence.
42.14	NC State CLAWS Hub Funding	Provides \$100M in federal CHIPS Act investment for NC State's Commercial Leap Ahead for Wide Bandgap Semiconductors (CLAWS) hub. Funds may be used for noncapital improvement purposes.
Other UNC-Related Sections		
5A.16.(b)	Reversion, Limitations on Use of Funds, Audit, and Reporting of funds	Hurricane Helene recovery funds will revert to the Savings Reserve if not expended or encumbered by June 30, 2030.
5.10.(h)	Various Board Changes - SEAA	Changes made to the appointed SEAA board of directors members.
6.5	Apprenticeship Studies	Board of Governors to collaborate on a plan to facilitate one or more expedited pathways for apprenticeship candidates to enter the teaching profession. Plan due no later than March 15, 2027.
7.4.(f)	Instructional Materials	Board of Governors to collaborate with State Board of Education to ensure that teacher and school administrator degree programs, ongoing professional development, and other university activity in the State's public schools align with the State Board's priorities.
20.12.(d)	Samarcand Training Academy	Basic law enforcement training should not be held at this academy unless otherwise requested by a UNC institution or a NC Community College.
22.5	Eliminate Office for Historically Underutilized Businesses	Abolishes Office for Historically Underutilized Businesses. Eliminates all requirements to meet minority business participation goals for any construction project delivery method and guaranteed energy performance savings contracts. Eliminates reporting requirements.
44.7	Increase Excise Tax on Sports Wagering Operators and Modify Distribution of Proceeds	Changes fund distribution to UNC System institutions. UNC-Chapel Hill and NC State added.
25.1	Rural Healthcare Stabilization Fund/Martin County	Directs funds from the Rural Healthcare Stabilization Fund to the Board of Governors for the UNC System Medical Education and Training Fund.
Other UNC-Related Sections of Note in S.L. 2026-9		
1.2	Self-Liquidating Projects	Authorizes self-liquidating projects.
2.1	Standardize Residency Determination at NCSSM	Standardizes the residency determination process for admission to the NCSSM. Applies beginning with applications for admission to NCSSM for the 2027-28 academic year.
3.1	Tuition Grants for NCSSM and UNCSA Graduates	Revises G.S. 116-209.89 to provide tuition grants to high school graduates of UNCSA and NCSSM to promote the retention of those high-performing students in this State.
4.1.(a)	Determination of Capital Project Scope and Expenditures	Provides that the Board is responsible for making the final determination on the project scope and all expenditures for UNC capital improvement projects.
5.1	Increases Dollar Threshold for Capital Improvement Project	Increases the threshold for a capital improvement project from \$100,000 to \$150,000. Adjusts other statutory language for compatibility.
5.1.(e)	Increases Formal Bidding Threshold for Capital Projects	Increases the threshold for formal bidding of a UNC capital improvement project from \$500,000 to \$1,500,000.
6.1	Use of Capital Funds for Public-Private Partnership Projects	Requires express authorization from the General Assembly to use State funds on a public-private partnership capital project or a self-liquidating project.