2025-2026 General Assembly

SENATE BILL 257: 2026 Appropriations Act, Sec. 8.25: Establish NC Promise Tuition Plan Reserve

Analysis of:	S.L. 2026-41, Sec. 8.25	**Date:**	August 27, 2026
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Section 8.25 of S.L. 2026-41 (Senate Bill 257) establishes the NC Promise Tuition Plan Reserve (Reserve) to allocate additional funds to constituent institutions of The University of North Carolina that are participating in the NC Promise Tuition Plan. Funds allocated from the Reserve must be used to "buy down" any financial obligations resulting from the NC Promise tuition rate that are not available to be paid from existing NC Promise Tuition Plan funds. The Reserve will be administered by the Board of Governors of The University of North Carolina (BOG).

To the extent funds are made available for this purpose, the BOG must ensure that the Reserve has a minimum balance of at least $3 million at the beginning of each fiscal year. As part of its recommended budget that must be submitted to the Governor and the General Assembly each year, the BOG must include any nonrecurring funds needed to meet the minimum starting balance for the upcoming fiscal year. Any unexpended, unencumbered funds in the Reserve at the end of each fiscal year do not revert to the General Fund and will remain available until expended.

Additionally, this section modifies the annual report by the BOG and chancellors of the NC Promise institutions by (i) changing the reporting deadline from October 1 to February 1 and (ii) requiring the report to include the current balance of the Reserve.

This section became effective July 1, 2026.

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.