SENATE BILL 257:
2026 Appropriations Act, Sec. 8A.1:
Student-Based Educational Wallet Pilot Program

2025-2026 General Assembly

Analysis of:	S.L. 2026-41, Sec. 8A.1	**Date:**	August 19, 2026
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Section 8A.1 of S.L. 2026-41 (Senate Bill 257) establishes the Student-Based Educational Wallet Pilot Program (Program) for the 2027-2028 fiscal year that grants funds to high school students to participate in eligible educational activities outside of the classroom, which can earn the student academic credit. The Program must be administered by the State Education Assistance Authority (SEAA) in coordination with a public school unit selected by SEAA to participate no later than August 1, 2026. The participating unit must select one high school to participate in the Program and enter into a data-sharing agreement with SEAA. By January 1, 2027, the unit must share a list of eligible students, eligible activities, and approved providers with SEAA. By February 2, 2027, SEAA must provide an application for students to opt-in to using a student-based educational wallet. By April 15, 2027, SEAA must enroll all students who applied and have parental permission into the Program and can use a lottery if the number of applications exceeds the amount of funds available.

Parents of participating students must sign a parental agreement to use the funds deposited into the student-based electronic wallet only for qualifying educational expenses, which does not include personal items or travel. SEAA must award funds up to $395 per student whose parent has signed the parental agreement.

Students can use the funds in the student-based educational wallet to participate in eligible activities and the participating unit will determine whether the eligible activity will be awarded academic credit. Students can submit information to the unit to demonstrate the student's proficiency in the subject area, including portfolios, performance assessments, and competency-based evaluations.

When administering the Program, SEAA must establish an online portal for students and parents to track account balances, review eligible activities, and submit reimbursement requests. SEAA can contract with a private financial management firm or institution to manage the student-based educational wallets. SEAA can also conduct random audits of a sampling of participants and can contract with an independent entity to conduct these audits. SEAA can close a student-based educational wallet account for failure to comply with the terms of the parental agreement or applicable laws or if a student is no longer eligible to participate in the Program. SEAA can use up to $50,000 for administrative costs associated with the Program, including contracting with entities for management of the student-based educational wallets and performing audits.

Information shared with SEAA on an application and personally identifiable information related to eligible students receiving funds in the Program is not a public record. Providers of eligible activities are prohibited from refunding or rebating parents or students participating in the Program in any manner.

By February 15, 2028, the North Carolina Collaboratory, in consultation with SEAA and the participating public school unit, must study and report to the Joint Legislative Education Oversight Committee on the implementation of the Program and the impact of the Program on student success. The report must include information on (i) the number of students who used the student-based educational wallet and the amount of funds used, (ii) the credit-bearing opportunities purchased with Program funds and the number of credits earned, and (iii) the approved providers receiving Program funds and the amount of funding each provider received.

Funds provided for this Program do not revert until the end of the 2027-2028 fiscal year.

This section became effective July 1, 2026.