



2025-2026 General Assembly

SENATE BILL 257: 2026 Appropriations Act, Sec. 8.1: University of North Carolina/Escheat Fund for Student Financial Aid Programs

Analysis of: S.L. 2026-41, Sec. 8.1

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Section 8.1 of S.L. 2026-41 (Senate Bill 257) makes the following changes to laws governing the Escheat Fund and related State law governing student financial aid programs:

- Requires the State Education Assistance Authority (SEAA) to make grants and loans from the Escheat Fund in accordance with the Current Operations Appropriations Act for the current fiscal year, in addition to statutory requirements.
- If income derived from the Escheat Fund is less than the amount referenced in the Current Operations Appropriations Act in a fiscal year, allows the State Treasurer (Treasurer) to use the principal from the Escheat Fund to make up the difference. The Treasurer cannot reduce the Escheat Fund's principal below the greater of the following:
 - \$5 million.
 - A sum equal to the total value of escheated or abandoned property received in the preceding fiscal year.
- Requires SEAA to return uncommitted funds that were distributed from the Escheat Fund by the Current Operations Appropriations Act at the end of that fiscal year, unless otherwise provided by law.
- Requires SEAA to conduct periodic evaluations of expenditures for student financial aid programs administered by SEAA to determine if allocations are utilized to ensure access to institutions of higher education and to meet the goals of the respective programs, except for grants or loans for student financial aid programs where a specific evaluation is required by law. SEAA can make recommendations for redistributing student financial aid program funds to the President of The University of North Carolina and to the President of the Community College System. The Presidents can authorize the redistribution of unutilized funds for a particular fiscal year.

This section became effective July 1, 2026.

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