



2025-2026 General Assembly

SENATE BILL 257: 2026 Appropriations Act, Sec. 7.14: North Carolina Competency-Based Education Innovation Grant Program

Analysis of: S.L. 2026-41, Sec. 7.14

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Section 7.14 of S.L. 2026-41 (Senate Bill 257) creates the North Carolina Competency-Based Education Innovation Grant and Network Program (Program) to provide funding and support to schools and school systems to assist in the transition to competency-based education models that focus on the mastery of learning rather than instructional time.

The objectives of the Program are as follows:

- Redesign Learning Pathways – Support schools and school systems in developing personalized competency-based education models that allow students to progress at their own pace.
- Assessment Innovation – Use formative and performance-based assessments that measure student mastery of skills and knowledge including the use of artificial intelligence tools.
- Educator Capacity Building – Provide professional development for educators on instructional strategies and assessment practices aligned with transitioning to competency-based education.
- Develop Strategies for Statewide Scaling and Best Practices – Develop and share resources, implementation strategies, and learned lessons to expand competency-based education across the State.

The first phase of the Program begins with the 2026-2027 school year and continues until the end of the 2029-2030 school year. Public school units must submit applications for grants and complete planning duties during the 2026-2027 school year and implement competency-based education in participating schools starting with the 2027-2028 school year.

The application for the Program requires applicants to show: (i) a comprehensive plan outlining the school's vision for competency-based education; (ii) a description of instructional and assessment shifts to be implemented; (iii) a budget for use of grant funds and a sustainability plan; and (iv) commitments from stakeholders. The Department of Public Instruction (DPI) must select 10 schools to participate and must prioritize schools that show a strong commitment to implementing competency-based education and innovation in assessments.

Selected schools are eligible for a grant award in the amount of \$330,000 dollars with \$95,000 dollars to be used for receiving training on competency-based education implementation in the school. The remaining grant funds are to be used for costs associated with the transition to competency-based education. The funds remain available until the end of the 2029-2030 fiscal year.

DPI must select a third-party vendor (Vendor) that is an educational support provider that has an extensive track record of working directly with schools across multiple states. DPI and the Vendor must develop

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standards-aligned proficiency scales for all content areas and grade levels to ensure successful transitions to competency-based education and provide professional development events to educators.

DPI must do the following for the Program:

- Develop, in collaboration with the Vendor, a Competency-Based Education Network (CBE Network) that: (i) provides guidance and policy recommendations for statewide scaling; (ii) facilitates collaboration among grant recipients, educators, policymakers, and competency-based education industrial leaders; (iii) develops a roadmap for statewide implementation; (iv) offers professional learning communities and online resources; (v) develops ways to measure proficiency for courses offered as part of the standard course of study; (vi) disseminates proficiency measures to schools and post standards developed to align with proficiency measures; and (vii) conducts research and evaluation to inform best practices and continuous improvement in participating schools.
- Provide support and technical assistance, professional learning opportunities, and access to the CBE Network for all grant recipients.

Each participating school must submit a quarterly progress report to DPI detailing the implementation of competency-based education in the school, including available student learning outcome data such as evidence of progress toward content mastery. DPI must then submit a final report on the outcomes of the first phase of the Program to the Joint Legislative Education Oversight Committee (JLEOC) by December 1, 2030, with the following information:

- A summary of student outcomes.
- Challenges experienced by the schools or DPI with the implementation of the Program.
- Recommendations for statewide scaling.
- Any other information deemed relevant by DPI and any other information requested by JLEOC.

DPI was appropriated \$5.3 million dollars in nonrecurring funds to implement the Program with the funds remaining available until the end of the 2029-2030 fiscal year.

Section 8.15 of S.L. 2026-41 (Senate Bill 257) requires the Office of Learning Research at the North Carolina Collaboratory at the University of North Carolina at Chapel Hill to study and evaluate the Program and report to JLEOC by March 15, 2028, and annually thereafter with a final report due by March 15, 2030. The report must include:

- The total number of students engaging with the Program.
- The total amount of funds expended to implement, design, and operate the Program.
- Effects on student achievement and learning outcomes.

These sections became effective July 1, 2026.