



HOUSE BILL 358: Continuing Budget Operations Part II.

2025-2026 General Assembly

Committee: Senate Appropriations/Base Budget
Analysis of: PCS to First Edition
H358-CSNEa-10

Date: September 21, 2025
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OVERVIEW: *The Proposed Committee Substitute (PCS) of House Bill 358 provides additional disaster relief, implements additional budgetary adjustments, and makes other changes.*

BILL ANALYSIS: The PCS does the following:

Part I. Tropical Storm Chantal Funding and Other Disaster Recovery

Section 1A.1 makes legislative findings regarding Tropical Storm Chantal and defines the counties that have been impacted by the storm.

Section 1B.1 appropriates \$65.5 million dollars to various agencies for disaster relief and recovery.

Section 1C.1 removes matching funds as a component of the calculation of “net loan funds” under the Rapid Recovery Loan Program administered by Golden Leaf.

Section 1D.1 sets parameters for the disaster relief and recovery funding consistent with prior acts, including reporting and auditing requirements.

Section 1E.1 makes Part I effective when it becomes law.

Part II. Education

Section 2.1 permits Wilson Community College to carryforward \$10 million in nonrecurring funds appropriated for its biologics training center until June 30, 2027.

Sections 2.2-2.7 provide various time-sensitive technical and clarifying changes, including clarifying that UNC staff members cannot enroll in more than three courses per year without paying tuition.

Section 2.8 clarifies that virtual cooperative innovative high schools and small specialty schools that received funds during the 2024-2025 school year will continue to receive funding.

Section 2.9 allows the operation of three new cooperative innovative high schools and provides funding for those schools in addition to two schools that were approved in SL 2024-57. Also includes language to codify supplemental funding for CIHSs based on county tier that currently only exists in session law.

Section 2.10 provides funds to the Board of Governors of The University of North Carolina for tuition grants for increased eligible high school graduates of the North Carolina School of Science and Mathematics and the University of North Carolina School of the Arts.

Section 2.11 revises the accreditation requirements for UNC institutions and community colleges to add the Commission for Public Higher Education as a preferred accreditor and removes the prohibition against receiving accreditation by the same agency for multiple accreditation cycles.

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Section 2.12 permits Brunswick Community College to carryforward \$25 million in nonrecurring funds provided in FY 2023-2024 to December 1, 2028.

Section 2.13 provides funds to the schools for deaf and blind for costs associated with the schools operating as independent agencies.

Part III. Health and Human Services [Reserved]

Part IV. Agriculture and Natural and Economic Resources

Section 4.1 makes modifications to current State law to allow the Department of Labor to hire private counsel from available funds and represent themselves in court, as necessary.

Section 4.2 appropriates funds for 3 attorney positions and security for the Dept. of Labor.

Section 4.3 appropriates \$35,000,000 from the Stabilization and Inflation Reserve to OSBM to be allocated to the Centennial Authority for public infrastructure improvements on and around the Lenovo (Centennial) Arena.

Section 4.4 appropriates \$51,000,000 nonrecurring from the Stabilization and Inflation Reserve for reimbursement to an eligible business in Hertford County for the construction of a publicly owned dock and a public road leading to the dock at the business site.

Section 4.5 allows a qualifying business, for a transformative project under JDIG, to reset the base period if (i) not more than 48 months into the base period and (ii) if the company employs more than 1,000 FTEs in the State and has not received any JDIG payments.

Part V. Justice and Public Safety [Reserved]

Part VI. General Government

Section 6.1 requires DOA to, in consultation with the State Auditor, assign two additional floors, for a total of four additional floors, in the Albemarle Building for the State Auditor. The assignment shall occur no later than December 1, 2025.”

Part VII. Information Technology [Reserved]

Part VIII. Capital

Section 8.1 provides additional funding for (i) an ongoing capital improvement project at the Global Transpark, (ii) an emergency response center at UNC-P, and (iii) repair and renovation funding for the State Highway Patrol.

Section 8.2 provides that net proceeds from the sale of the Chancellor’s residence at NCCU will be used for the purchase of another Chancellor’s residence upon approval by the NCCU Board of Trustees.

Part IX. Transportation

Section 9.1 appropriates \$750,000 in each year of the fiscal biennium from the Stabilization and Inflation Reserve to DOT, Division of Aviation, for allocation to the RDU Airport Authority for costs associated with expanding nonstop service to Dublin, Ireland.

Section 9.2 provides that funds provided to the Brunswick County Airport in S.L. 2023-134 shall remain available for expenditure on new airport improvement projects.

Section 9.3 appropriates \$3,600,000 nonrecurring for the 2025-2026 fiscal year to the DOT, Division of Aviation, for hangar improvements at the Tri-County Airport.

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Section 9.4 appropriates \$10,400,000 nonrecurring to the Coastal Carolina Regional Airport Authority for site clearing and infrastructure needs at the Coastal Carolina Regional Airport provided that the Authority enters into a long-term lease with a tenant at the Airport.

Part X. Miscellaneous

Sections 10.1 through 10.4 enact various boilerplate provisions.

EFFECTIVE DATE: Except as otherwise provided, makes the PCS for HB 358 effective retroactively to July 1, 2025.

**Staff Attorneys with the Legislative Drafting Division substantially contributed to this summary.*