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Enacted Legislation

Public Schools

School Extension Learning Recovery Program

Section 2G.1 of S.L. 2025-2 (House Bill 47) requires local school administrative units (LEAs) in the following counties affected by Hurricane Helene to offer a School Extension Learning Recovery Program (Program) following the 2024-2025 school year for students in grades four through eight: Ashe, Avery, Buncombe, Burke, Haywood, Henderson, Madison, McDowell, Mitchell, Rutherford, Transylvania, Watauga, and Yancey. Any charter school within any of these counties can elect to participate in the Program.

To be eligible for the Program, students must have been enrolled in a participating LEA or charter school during the 2024-2025 school year. The Program must give first priority to students who have not reached proficiency in reading or mathematics by the end of the 2024-2025 school year. Participation is voluntary and the parent or guardian of a student must provide consent for a student to enroll in the Program.

Whenever possible, a student must participate at the school the student was enrolled in for the 2024-2025 school year. A student who was enrolled in a charter school that elects not to participate in the Program can attend the Program in the participating LEA closest to the student's residence.

A participating LEA or charter school must develop and submit a plan to the Department of Public Instruction (DPI) for its Program no later than 30 days prior to the final instructional day of the 2024-2025 school year. DPI must notify the participating LEA of any recommended changes within 21 days.

The plan for the Program must meet the following requirements:

- Is separate and apart from the 2024-2025 school year rather than an extension of the school year.
- Includes at least 72 hours of instruction that meets the following:
 - Includes at least three hours of daily instructional time (excluding time for lunch, transition periods, and physical activity).
 - Includes at least one hour of enrichment activity, such as sports, music, or arts.
 - Includes a period of physical activity during the instructional day.
 - Does not provide instruction on Saturdays.
 - Provides instruction in person.
 - Provides grade level course offerings in reading, mathematics, or a combination of both.
- Provides meal service for each instructional day.
- Provides transportation services to the school.

- Identifies the assessment that will be administered at the beginning and end of the Program to evaluate student progress.

Participating LEAs and charter schools must employ teachers and other school personnel as temporary employees on a contract basis. These temporary employees are not considered employees or teachers for the purposes of the Teachers and State Employees Retirement System (TSERS) or the State Health Plan and their earnings are not treated as compensation for the purpose of TSERS. Additionally, these employees are not eligible to accrue paid leave during their temporary employment.

Participating LEAs and charter schools must select assessments from a list provided by DPI for students to complete at the beginning and conclusion of the Program. Assessment results must be shared with all teachers of record for that student for the 2025-2026 school year.

By October 15, 2025, participating LEAs and charter schools must report all of the following to DPI:

- The number of students offered first priority enrollment in the Program, and the total number of students that enrolled in the Program.
- The attendance record of enrolled students.
- Results of the assessment given to students at the beginning and end of the Program.
- The number of students who progressed to the next grade level and the number of students who were retained in the same grade level after participating in the Program.

By January 15, 2026, DPI must report on the following to the Joint Legislative Education Oversight Committee (JLEOC):

- Implementation of the Program.
- The information required to be reported by participating LEAs to DPI.
- A copy of each Program plan submitted to DPI, including any changes recommended by DPI, the reason the change was recommended, and whether the recommendation was followed.
- Any other data or information DPI deems relevant.

The Office of Learning Research at the University of North Carolina at Chapel Hill (OLR) must study the effectiveness of the Program. OLR must report the results of the study to the JLEOC by January 15, 2027.

This section appropriates \$9 million to DPI for the Program. Any remaining funds will revert to the Helene Fund on October 15, 2025.

This section became effective March 19, 2025. (BG)

School Calendar Flexibility and School Nutrition Compensation

Section 5.8 of S.L. 2025-2 (House Bill 47) addresses school calendar flexibility and school nutrition compensation for counties affected by Hurricane Helene.

School Calendar Flexibility: For instructional days or equivalent hours missed due to Hurricane Helene between December 2024 and February 2025, the governing body of a specified public school unit can, in its discretion, do the following: (i) make up any number of the instructional days or equivalent hours missed, (ii) deem as completed any number of the instructional days or equivalent hours missed up to a total of 10 days, or (iii) implement a combination of both of these options. The section only applies to public school units in the following counties: Ashe, Avery, Buncombe, Burke, Haywood, Henderson, Madison, McDowell, Mitchell, Rutherford, Transylvania, Watauga, and Yancey.

All employees and contractors of public school units that have been granted school calendar flexibility are deemed to have worked for any scheduled instructional days missed due to inclement weather during the months of December 2024 through February 2025 if the public school unit deemed the instructional time

was completed. Employees and contractors must be compensated as if they had worked on the scheduled instructional days that were missed.

School Nutrition Compensation: Of the disaster recovery funds appropriated to the Department of Public Instruction (DPI) in S.L. 2024-51, DPI must provide compensation to public school employees and contractors of schools participating in the National School Lunch Program or School Breakfast Program for scheduled instructional days when compensation would have been provided by school meal receipts or by federal funds either (i) as authorized by the provision deeming those days to have been worked or (ii) for a scheduled instructional day that was conducted remotely. Employees and contractors compensated using funds described in this section must be compensated in the same manner they would have been compensated if they had worked on the scheduled instructional days that were missed or provided remotely.

If the funds appropriated are insufficient to provide for the authorized compensation, DPI must develop uniform criteria to determine the comparative economic need of public school units and prioritize those with the greatest economic need when awarding available funds.

Reporting Requirements: By May 1, 2025, DPI was required to report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division of the General Assembly on the following information for each public school unit that was allowed calendar flexibility and school nutrition compensation:

- The number of instructional days or hours missed due to inclement weather from December 2024 through February 2025, the number of days deemed completed as allowed by this section, and any makeup days scheduled for missed days from December 2024 through February 2025.
- Any compensation provided to employees and contractors as allowed by this section.

This section became effective March 19, 2025. (DC)

Internet Safety Policy

Section 1 of S.L. 2025-38 (House Bill 959) requires local boards of education to adopt policies on student access to the internet on devices or internet services provided by local school administrative units (LEAs). The policies must do all of the following:

- Limit access by students to only age-appropriate subject matter and materials.
- Protect the safety and security of students when accessing email, chat rooms, and other forms of electronic communication.
- Prohibit unauthorized access by students to data or information maintained by the LEA, including by "hacking" and other unlawful online activities.
- Prevent access to websites, web applications, or software that do not protect against the disclosure, use, or dissemination of a student's personal information.
- Prohibit and prevent students from accessing social media platforms, except when expressly directed by a teacher solely for educational purposes.

This section became effective July 1, 2025. Local boards of education must adopt required policies by January 1, 2026. (BG)

Social Media and Mental Health

Section 2 of S.L. 2025-38 (House Bill 959) requires the standard course of study to include instruction on social media and its effects on health, including social, emotional, and physical effects. Instruction must be provided once during elementary school, once during middle school, and twice during high school. In addition, this instruction must include information on at least the following:

- Negative effects of social media on mental health, including addiction.
- Distribution of misinformation on social media.
- Methods of manipulating behavior using social media.
- The permanency of information shared online.
- How to maintain personal security.
- How to identify cyberbullying, predatory behavior, and human trafficking on the internet.
- How to report suspicious behavior encountered on the internet.
- Personal and interpersonal skills or character education that enhances individual level protective factors and mitigates or reduces risk-taking or harmful behavior.

This section became effective July 1, 2025, and applies beginning with the 2026-2027 school year. (DC)

Regulation of Wireless Communication Devices

Section 3 of S.L. 2025-38 (House Bill 959) requires governing bodies of public school units to establish a wireless communication policy that prohibits students from using, displaying, or having a wireless communication device turned on during instructional time, except in the following circumstances:

- If authorized by a teacher for educational purposes or for use in the event of an emergency.
- As required by the student's individualized education program (IEP) or Section 504 Plan.
- As required to manage a student's health care, in accordance with a documented medical condition.

The governing body is required to establish the consequences of violations of the policy, which can include confiscation of the wireless communication device and disciplinary measures under the public school unit's Code of Student Conduct.

Each governing body is required to submit its policy to the Department of Public Instruction (DPI). DPI must annually report by October 1 to the Joint Legislative Education Oversight Committee on the number of public school units that are in compliance with this requirement and provide a list of any units that are not.

This section became effective July 1, 2025. Governing bodies must adopt the policy by no later than January 1, 2026. (SY)

Residency Licenses for Certain Nonpublic Exceptional Children Teachers

Section 4 of S.L. 2025-38 (House Bill 959) authorizes certain nonpublic schools to request a residency license. A residency license is a one-year teaching license that can be renewed twice. The nonpublic school is authorized to request a residency license if it meets both of the following:

- Meets the nonpublic school requirements in either Part 1 or Part 2 of Article 39 of Chapter 115C of the General Statutes.
- Is approved and monitored by the Department of Public Instruction to provide special education and related services pursuant to a student's individualized education program.

This section became effective July 1, 2025, and applies to applications for residency licenses occurring on or after that date. (BG)

School Contracted Health Services

S.L. 2025-40 (Senate Bill 77) requires local educational agencies (LEAs) to contract with the parent's choice of nurse when providing nursing services pursuant to a child's individualized education program (IEP) if the following conditions are met:

- The child received nursing services from the nurse (i) prior to the nursing services being required by the child's IEP or (ii) prior to the child enrolling in his or her current school.
- The parent's choice of nurse is employed by a nursing agency and willing to provide the nursing services required by the child's IEP.
- The nursing agency employing the parent's choice of nurse is willing to enter into a contract with the LEA that otherwise meets all standard contract terms required for any other nursing agency contracted by the LEA, including licensing and liability requirements.
- The contracted rate is equal to or less than the contracted rate of other nurses contracted by the LEA.

Nursing services are defined as services that can only be provided by a nurse licensed in accordance with Article 9A of Chapter 90 of the General Statutes. The act does not limit the LEA's responsibility to provide a free appropriate public education.

This act became effective July 1, 2025, and applies beginning with the 2025-2026 school year. (BG)

Technology Cost Considerations and Reports on Break/Fix Rate

Part I of S.L. 2025-46 (House Bill 378), as amended by Section 2.3 of S.L. 2025-97 (Senate Bill 449), requires the State Board of Education (SBE), the State Board of Community Colleges, and the Board of Governors of The University of North Carolina to adopt rules requiring all public school units, community colleges, and constituent institutions to evaluate the following when acquiring technology, computer hardware, and software:

- The long-term cost of ownership, including costs of repairing the technology, computer hardware, and software.
- Any flexibility for innovation during the life of the technology, computer hardware, or software.
- Any anticipated resale value of similar technology, computer hardware, or software as a percentage of the initial cost of purchase.

Each public school unit must report on the break/fix rate of school technology devices by August 15 annually. School technology devices are any electronic or computerized equipment provided for educational purposes. The break/fix rate is defined as the percentage of school technology devices that have been reported as malfunctioning or requiring repair prior to the life cycle period not covered by insurance.

The SBE is required to report annually by November 15 to the Joint Legislative Education Oversight Committee on the break/fix rate of school technology devices across all public school units using the reports submitted by the units and recommend ways to reduce break/fix rates.

This Part as amended became effective July 1, 2025, and applies beginning with the 2025-2026 school year. (SY)

Regulation of Drivers Education Offered by Commercial Driver Training Schools

Section 1 of S.L. 2025-47 (Senate Bill 391) clarifies the ability of the Commissioner of Motor Vehicles (Commissioner) to adopt regulations governing the private driver training schools the Commissioner licenses when they are offering the driver education course required for teen drivers. It specifies that the Commissioner can adopt regulations in addition to requirements applicable to the program of driver education offered in the public schools.

This section became effective July 1, 2025. (WGR)

Criminal History Checks for Drivers Providing Transportation Services to Children Pursuant to Contracts with Local Boards of Education

Section 12 of S.L. 2025-47 (Senate Bill 391) requires a criminal history check for an individual before a local board of education can allow the individual to act as a driver pursuant to a contract entered into by a local board of education with a person, firm, or corporation to provide transportation services to students in lieu of operating school buses. It also provides for sharing of information between school boards if one local school board has previously done a criminal history check on an individual, the check was done within the previous three years, and the individual consents.

This section became effective July 1, 2025, and applies to contracts for transportation services for students beginning with the 2025-2026 school year. (WGR)

Authorize Use of Electronic Speed-Measuring Systems in School Zones

Section 13 of S.L. 2025-47 (Senate Bill 391) authorizes cities and counties to use electronic speed-measuring systems (systems) to enforce speed limits in school zones. Local governments must adopt ordinances to allow for the civil enforcement of those speed limits, providing processes for issuing and processing citations, and providing an administrative hearing process for contesting citations. Installation of systems on North Carolina Department of Transportation right-of-way must be approved by the Department. A civil penalty of \$250 must be assessed for violations, and the Division of Motor Vehicles must refuse registration of a vehicle when the owner fails to pay a penalty.

This section becomes effective October 1, 2025. (HAM)

Allow Physical Therapists in School Concussion Protocols

S.L. 2025-49 (House Bill 928) adds physical therapists licensed under Article 18E of Chapter 90 of the General Statutes to the list of medical professionals approved to evaluate students who have exhibited signs of concussion when participating in an interscholastic athletic activity and provide written clearance for the students to return to play or practice in the athletic activity.

This act became effective July 2, 2025. (DC)

Residency Licenses for Certain Nonpublic Exceptional Children Teachers

Part III of S.L. 2025-56 (Senate Bill 125) was repealed by Section 2.6 of S.L. 2025-92 (House Bill 358). (BG)

Extend Reversion Date for School Safety Grant Funds

Part IV of S.L. 2025-56 (Senate Bill 125) extends the reversion date for funds appropriated to the Department of Public Instruction for the School Safety Grants Program from June 30, 2025, to June 30, 2027.

This Part became effective June 30, 2025. (SY)

Allow the Use of Epinephrine Nasal Spray in Addition to Auto-Injectors

Part IV of S.L. 2025-60 (Senate Bill 600) expands reference to epinephrine delivery systems in statutes governing public schools to include nasal sprays in addition to auto-injectors.

This Part became effective July 3, 2025, and applies beginning with the 2025-2026 school year. (SY)

Registered Nurses in Schools

Part V of S.L. 2025-60 (Senate Bill 600) clarifies that the State Board of Education (SBE) cannot impose a four-year degree requirement for an individual to be hired or contracted for as a school nurse. In addition, this section requires that a school nurse be paid on the certified nurse pay scale as established by the SBE if the nurse is a registered nurse licensed under Article 9A of Chapter 90 of the General Statutes and has at least two years of experience serving in a hospital or health clinic.

This Part gives the SBE authority to adopt temporary rules until permanent rules can be adopted. The Department of Public Instruction must conform salary manuals with this section's requirements.

Part V became effective July 3, 2025, and applies to school nurses hired or contracted for on or after that date. (BG)

Provide Additional Time for Military Families to Provide Proof of Residency for Public School Enrollment

Part II of S.L. 2025-72 (Senate Bill 118) allows military children to begin attending school in a local school administrative unit (LEA) without proof of residency if proof of residency has not yet become available because the military parent and military child are residing in temporary housing.

In this situation, the LEA must:

- Allow the military child to enroll and begin attending school in the LEA of anticipated domicile (i) for a period of up to one year from the military parent's reporting-for-duty date, separation date from active military duty, or anticipated separation date from active military duty, or (ii) through the end of the school year, before being considered a resident of another LEA.
- Allow a military child who is a high school junior or senior to enroll and begin attending school in the LEA of anticipated domicile through high school graduation.

This Part became effective July 9, 2025, and applies beginning with the 2025-2026 school year. (DC)

Local Boards of Education to Publish Total Compensation and Position Information for Central Office Employees

Section 2 of S.L. 2025-73 (Senate Bill 375) requires each local board of education to publish and maintain the following information on its website by August 15 each year:

- For each central office employee (superintendent, assistant superintendent, associate superintendent, director/coordinator, supervisor, finance officer, person categorized as a central office employee by the Department of Public Instruction or the local school administrative unit [LEA], and permanent employee or third-party contractor not assigned to a school campus):
 - Total compensation for all funding sources, including at least salary, including supplements, and reimbursements and allowances for travel.
 - Position title.
 - Position description.

- Date the position was created.
- Department, unit, or office of the LEA in which the position is located.
- The title of each central office employee position in the LEA and the number of positions with that title.
- For each department, unit, or office of the LEA:
 - The number of central office employees located in that department, unit, or office.
 - The number of central office employees or each position title.

This act became effective July 9, 2025. (SY)

Charter School Changes

S.L. 2025-80 (Senate Bill 254) does the following:

- Requires that rules or policies adopted by the State Board of Education (SBE) regarding charter schools must first be approved by the Charter Schools Review Board (CSRB). The CSRB is authorized to propose, recommend, and approve rules and policies on all aspects of charter school operation.
- Directs the SBE to assign the CSRB to conduct any hearings required under federal law on federal funds for charter schools. The CSRB has the duty to make findings and recommendations about these hearings.
- Authorizes the CSRB to employ legal counsel, including private counsel, to advise, represent, and provide litigation services to the CSRB without having to get permission from the Attorney General or the Governor.
- Provides that the Executive Director of the Office of Charter Schools reports and serves at the pleasure of the CSRB, rather than the Superintendent of Public Instruction (Superintendent), at a salary established by the CSRB within the funds appropriated for that purpose.
- Allows for charter schools to relocate without prior approval by the CSRB as long as the new location is within a 10-mile radius of the location specified and approved in the charter and located within the same local school administrative unit (LEA).
- Requires that all terms of the written charter that a charter school will operate under be approved by the CSRB.
- Provides that charter schools are not required to list class rank on a student's official transcript or record.
- Allows charter schools to develop and use any evaluation for conducting the evaluation of teachers, if the evaluation instrument includes standards and criteria similar to those used in the North Carolina Professional Teaching Standards and North Carolina Teacher Evaluation Process or such other evaluation standard and process required to be used by LEAs.
- Directs the CSRB to require charter schools that are identified as low-performing or continually low-performing to prepare and report plans to improve the performance of the school. Charter schools are not required to create school improvement plans as required for LEAs.
- Requires the SBE to withhold or reduce distribution of funds to a charter school if the CSRB notifies the SBE that a charter school has failed to meet generally accepted standards of fiscal management or has violated a State or federal requirement for receipt of funds. This notification was previously the responsibility of the Superintendent.

- Requires the CSRB, instead of the Superintendent, to create standardized (i) enrollment verification and transfer request documents and (ii) transfer procedures for the per pupil share of the local current expense fund in consultation with charter schools and LEAs.
- Requires the Department of Public Instruction (DPI) to provide each charter school with access to any required financial data reporting platforms for the school's first year of operation at no cost.
- Allows charter schools operating under a charter that allows for a remote academy that enrolls or intends to enroll 250 or more students in the remote academy to request that the CSRB grant the remote academy a separate charter. The CSRB must review these requests through an expedited process and cannot require a planning year for the remote academy.
- Requires that a charter school with both in-person instruction and a remote academy receive a separate school performance grade for the remote academy. The remote academy must be treated as a separate school for the purpose of assessing performance.
- For the 2025-2027 biennium, requires DPI to use \$82,100 per fiscal year of lapsed salary funds to provide operating funds to the CSRB. Legal counsel retained by the CSRB and funded with these monies can provide litigation services to the CSRB.

This act became effective July 29, 2025, and applies beginning with the 2025-2026 school year. (SY)

Excuse Students with Religious Objections

Section 3.2 of S.L. 2025-84 (House Bill 805) requires local boards of education to adopt policies allowing a student or the student's parent or guardian to request excusal from any classroom discussions, activities, or assigned readings if the student, parent, or guardian believes either of the following:

- The discussion, activity, or assigned reading would impose a substantial burden on the student's religious beliefs.
- The discussion, activity, or assigned reading would invade the student's privacy by calling attention to the student's religion.

To the extent practicable, the local board of education must provide advance notice to students, parents, and guardians of the discussions, activities, or assigned readings. The school must provide the excused student with an alternative activity or assignment aligned with the standard course of study.

This section became effective July 29, 2025. (DC)

Parent Access to Library Books

Section 3.3 of S.L. 2025-84 (House Bill 805) requires local boards of education to adopt policies to do both of the following:

- Provide public access to the titles of library books available within each school within the local school administrative unit.
- Allow a parent of a student to identify library books that cannot be borrowed by the student.

Library books are defined as electronic, print, and nonprint resources, excluding textbooks, for independent use by students and school personnel outside of the standard course of study for any grade or course. Library books can be held in a formal school library or in a classroom.

This section became effective July 29, 2025, and applies beginning with the 2025-2026 school year. (DC)

Restrictions on Sleeping Quarters

Section 3.4 of S.L. 2025-84 (House Bill 805) requires the governing bodies of public school units to adopt a policy prohibiting students from sharing sleeping quarters with a member of the other biological sex during any activity or event authorized by a school within the public school unit, except when authorized by the school when either (i) written permission is provided from the parents or legal guardians of all students sharing the sleeping quarters or (ii) the member of the other biological sex is the student's immediate family member, which includes parent, brother, sister, or grandparent, including step and half relationships. Sleeping quarters are a room with a bed that is intended to be used to house a person overnight or other area designated for overnight sleep.

This section became effective July 29, 2025, and applies beginning with the 2025-2026 school year. (SY)

Maintain Coverage of Copays for Reduced Price School Meals

Section 2A.8 of S.L. 2025-89 (House Bill 125) requires local boards of education operating school nutrition programs to provide school meals at no cost to students who qualify for reduced-price meals under the federal National School Lunch Program or School Breakfast Program. If funds from alternate sources are insufficient to cover these costs, the Department of Public Instruction can use funds appropriated to the State Aid for Public Schools Fund for this purpose. Additionally, this section repeals a similar uncoded provision that only applied to the 2023-2024 biennium.

This section became effective July 1, 2025. (BG)

Authorize New Cooperative Innovative High Schools and Codify Supplemental Funding

Section 2.9(d) of S.L. 2025-92 (House Bill 358) as amended by Section 2.1(a) of S.L. 2025-97 (Senate Bill 449) requires the Department of Public Instruction (DPI) to annually allocate supplemental allotment funds to local school administrative units (LEAs) with a cooperative innovative high school (CIHS) that is approved to receive additional funds by DPI and the General Assembly. DPI must allocate supplemental allotment funds to qualifying LEAs based on the development tier area that an LEA is located within. Supplemental allotments are set by development tier areas as follows:

- For LEAs located in tier one development areas, \$275,000 for each CIHS in the LEA that is approved to receive additional funds, except as follows:
 - \$310,000 to the Northeast Regional School of Biotechnology and Agriscience.
 - \$200,000 to a virtual CIHS.
- For LEAs located in tier two development areas, \$200,000 for each CIHS in the LEA that is approved to receive additional funds.
- For LEAs located in tier three development areas, \$180,000 for each CIHS in the LEA that is approved to receive additional funds.

This section, as amended became effective October 22, 2025, and applies to funds allocated for CIHS beginning with the 2025-2026 school year. (WBP)

Higher Education

Allow Certain Schools to Apply for Re-Accreditation by the Criminal Justice Education and Trainings Standards Commission

Section 5 of S.L. 2025-38 (House Bill 959) requires the Criminal Justice Education and Training Standards Commission to allow any school that received a suspension of its accreditation for at least four years to apply for re-accreditation after serving two years of the suspension.

This section became effective July 1, 2025, and applies to suspensions occurring on or before that date. (DC)

Expand Academic Transition Pathways for Sophomore High School Students

Part III of S.L. 2025-46 (House Bill 378) was repealed by the enactment of S.L. 2025-56 (Senate Bill 125) on July 3, 2025. (DC)

Protect Certain Tax-Advantaged Accounts

Part VI of S.L. 2025-46 (House Bill 378) exempts the following funds from liens, attachment, garnishment, levy, seizure, any involuntary sale or assignment by operation or execution of law, or the enforcement of any other judgment or claim to pay any debt or liability of any account owner, beneficiary, or contributor to the account:

- Funds located in a 529 Plan or withdrawn from a 529 Plan and used for purposes permitted by section 529 of the Internal Revenue Code. This section's increased protections replace previous exemptions from creditors for 529 Plans.
- Funds located in an ABLE account or withdrawn from the account and used for purposes permitted under section 529A of the Internal Revenue Code.

The protections provided under this section do not apply to the following:

- Any state claims, following the death of the ABLE account owner, to reimburse the state's Medicaid program for benefits received by the participant after the establishment of the ABLE account.
- Funds that were not used for a qualifying purpose under federal law.
- Funds deposited into a qualifying 529 Plan or ABLE account as a result of fraud, intentional wrongdoing, or other violation of law.

Part VI becomes effective September 1, 2025, and applies to actions filed on or after that date. (BG)

Authorization for Name, Image, and Likeness Agency Contracts

Part VII of S.L. 2025-46 (House Bill 378) modifies the Uniform Athlete Agents Act to allow student-athletes to use registered agents for the purpose of representation in name, image, and likeness contracts (NIL contracts).

NIL contracts are defined as contracts between the student-athlete and another entity where the student-athlete receives consideration in exchange for use of the student-athlete's name, image, or likeness. The section authorizes a student-athlete to enter into a contract, called an NIL agency contract, with a registered athlete agent to negotiate NIL contracts. Those contracts must contain a warning to student-athletes that an NIL contract conflicting with law or institutional policies could have negative consequences. The NIL agency contract can be cancelled by the student within 14 days. These contracts are distinguished from professional sports services agency contracts, where an athlete entering into an agreement to negotiate a professional sports contract would lead to the loss of amateur status.

This Part also prohibits athlete agents who currently or within the prior two years have been in an employment or contractual relationship with an educational institution from entering into NIL agency contracts with student-athletes enrolled in that educational institution. Additionally, any NIL agency contract with an athlete agent who has such a connection to an educational institution is void if the student-athlete subsequently enrolls in that educational institution.

This Part became effective July 1, 2025, and applies to NIL agency contracts entered into on or after that date. (DC)

Public Records Exemption for Certain Name, Image, and Likeness Contracts

Part VIII of S.L. 2025-46 (House Bill 378) exempts records related to a student-athlete's name, image, and likeness contract from being public records subject to disclosure.

This Part became effective July 1, 2025, and applies retroactively to all records related to a student-athlete's name, image, and likeness contract ever in the possession of an institution of higher education. (SY)

Prohibit Discriminatory Admissions Policies Regarding Active Duty Service Members and Veterans, Require Military Admissions Deferment for Certain Persons Admitted to the UNC System, and Provide In-State Tuition to Certain Honorably Discharged Veterans

Part III of S.L. 2025-72 (Senate Bill 118) prohibits constituent institutions of The University of North Carolina (UNC) from denying admissions to any applicant solely on the basis of the applicant's indication that he or she is serving or intends to serve in the uniformed service.

The Board of Governors of UNC must adopt a policy requiring constituent institutions to provide enrollment deferment for members of the uniformed service and their spouses if the deferment is requested at least 30 days prior to enrollment in a constituent institution. Members of the reserve Armed Forces and their spouses must be granted deferments of at least two years after entry into the reserve Armed Forces. All other members and their spouses must be granted deferments of at least five years after entry into the uniformed service.

This Part requires that any qualifying veteran admitted to a constituent institution of UNC or a community college under the jurisdiction of the State Board of Community Colleges be charged the in-State tuition rate and applicable fees for enrollment without having to satisfy the 12-month residency requirement. A qualifying veteran is an individual who (i) served not less than 90 days in the Armed Forces, (ii) was honorably discharged, and (iii) meets at least one of the following:

- Graduated from a high school in North Carolina on or after January 1, 2004.
- Served active duty in the Armed Forces with a permanent station in North Carolina for at least 90 continuous days.
- Was awarded a Purple Heart.

This Part became effective July 9, 2025, and applies beginning with the 2025-2026 academic year. (SY)

Children of Wartime Veterans Scholarship Funds Award Flexibility

Part VI of S.L. 2025-72 (Senate Bill 118) makes the following changes to the administration of funds for the Scholarships for the Children of Wartime Veterans Program (Program) in the 2024-2025 and the 2025-2026 academic years:

- Allows the State Education Assistance Authority (SEAA), after consultation with the Secretary of the Department of Military and Veterans Affairs (Department), to fund scholarships with monies from the Escheat Fund for eligible children of wartime veterans who have not been identified by the Department under the Program.
- Requires the Secretary, after consulting with SEAA, to determine whether to prioritize the award of new applicants for the 2025-2026 academic year in Class I-A, I-B, and IV scholarships, prior to awarding Class II and III scholarships.
- Permits the Secretary, after consulting with SEAA, to determine whether to reduce the room and board allowance award for students attending a public institution and the maximum allowance award for students attending private institutions, prior to August 15, 2025. The determination must be based on the number of eligible students, including new and renewal students, that have applied for the 2025-2026 academic year.
- Allows SEAA to adjust and standardize award amounts for the 2025-2026 academic year, if funds available for the Program are insufficient to provide scholarships to all eligible students.
- Requires that all scholarship notifications include language that the scholarship award is contingent upon the availability of funds.
- Directs SEAA to disburse scholarship funds in accordance with the authority granted by the General Statutes.
- Allows SEAA to use an amount of up to 2.5% for the administration costs related to the Program from the total amount of funding appropriated to the Board of Governors of The University of North Carolina and allocated to SEAA in a fiscal year to support the award of scholarship funds under the Program. SEAA must place any unexpended and unencumbered appropriated funds remaining at the end of the 2024-2025 and 2025-2026 fiscal years into an institutional trust fund for the purposes of awarding scholarships and paying administration costs.

Part VI became effective June 30, 2025, and applies to awards granted for the 2024-2025 and 2025-2026 academic years. (BG)

Revise Higher Education Accreditation Requirements

Section 2.11 of S.L. 2025-92 (House Bill 358) revises accreditation requirements for constituent institutions of The University of North Carolina and community colleges in the State by doing the following:

- Defining "institutional accrediting agency" as an accrediting agency that is recognized as an institutional accrediting agency by the United States Department of Education.
- Defining "preferred accrediting agency" as an accrediting agency that (1) is an institutional accrediting agency and (2) is one of seven listed accrediting agencies including the Commission for Public Higher Education.
- Repealing the defined term "regional accrediting agency" and replacing references in statute to regional accrediting agencies with references to institutional or preferred accrediting agencies.
- Repealing provisions prohibiting consecutive accreditation by the same accrediting agency in consecutive accrediting cycles of a constituent institution or community college.
- Requiring that a constituent institution or community college maintain accreditation from a preferred accrediting agency.
- Providing that a constituent institution or community college can receive accreditation from an institution that is not a preferred accrediting agency, if the constituent institution or community college continues to maintain accreditation from a preferred accrediting agency.

- Requiring virtual education providers, other than North Carolina Virtual Public School, that partner with local school administrative units to be accredited by an accrediting agency such as Cognia or an institutional accrediting agency.
- Providing that private institutions that are not eligible to be considered for accreditation can be accredited by a nationally recognized accrediting agency that is designated by the State Education Assistance Authority.
- Making various other conforming and technical changes.

This section became effective September 30, 2025. (MW)

Community Colleges

Leon's Law

Part II of S.L. 2025-46 (House Bill 378) requires the State Board of Community Colleges to direct each community college to adopt a policy that requires a minor student to complete a form, prior to registration in any course at the community college, acknowledging the following:

- To the extent allowed under the Federal Educational Rights and Privacy Act (FERPA), the education records of a minor student must be provided to the student's parent as long as the parent has not opted out of receiving the education records.
- To the extent allowed under FERPA, the education records of a minor student must be provided to the school administrators and school counselors at the school in which the student is dually enrolled.

Part II became effective July 1, 2025, and applies beginning with the 2025-2026 academic year. (BG)

Reorganization of Chapter 115D and Conforming Changes

Parts I and II of S.L. 2025-56 (Senate Bill 125), as amended by Section 2.3 of S.L. 2025-92 (House Bill 358), reorganize Chapter 115D of the General Statutes as follows:

- Divides Article 1, "General Provisions for State Administration," into the following Parts:
 - Establishment and Administration of the North Carolina Community Colleges System.
 - Administration of Local Community Colleges by State Board of Community Colleges.
 - Community College Programs.
 - Students.
- Creates a new Article 2B, "High School Programs."
- Divides Article 3, "Financial Support," into the following Parts:
 - Funding of Community Colleges.
 - Tuition and Fees.
- Repeals and recodifies statutes to place them in the appropriate Article and Part.

Part II makes the necessary conforming changes to reflect the reorganization of Chapter 115D.

These Parts became effective July 3, 2025. (BG)

Various Statutory Changes

Part II.5 of S.L. 2025-56 (Senate Bill 125) does the following:

- Allows the State Board of Community Colleges to approve the use of up to 15% of the funds appropriated for the Customized Training Program for the training and support of regional community college personnel to deliver Program services.
- Allows all qualified high school students to participate in the CTE pathways, removing the restriction to specific pathways for freshmen and sophomore students.
- Codifies the Career and College Ready Graduate program as a pathway under the Career and College Promise program and allows high school juniors to participate, including during the summer preceding their junior year.
- Allows the Community Colleges System Office to use up to 4% of the funds appropriated for the NC Career Coach Program for administrative costs, including staffing, professional development, and program management and evaluation.
- Allows the State Board of Community Colleges to evaluate the success rate of students in credit-bearing Math or Science courses.

This Part became effective July 3, 2025, and applies beginning with the 2025-2026 academic year. (DC)

NC Community College System Learning Management System/NC Longitudinal Data System

S.L. 2025-62 (Senate Bill 133) does all of the following:

- Directs the State Board of Community Colleges (SBCC) to solicit a learning management system (LMS) for all community colleges.
- Provides the Community College System Office (System Office) with an exemption from the Department of Information Technology (DIT).
- Makes changes to the statutes related to the North Carolina Longitudinal Data System (NCLDS).

Section 1 of the act requires the SBCC to conduct a competitive solicitation to provide an LMS to all community colleges by December 31, 2025. The transition to the new LMS must be completed by December 31, 2027. Answers to the competitive solicitation must include information about how the LMS would align with the systems (i) offered by the Department of Public Instruction (DPI) and (ii) used by the constituent institutions of The University of North Carolina. The SBCC must report to the Senate Appropriations Committee on Education/Higher Education, the House Appropriations Committee on Education, and the Fiscal Research Division on the information received by December 31, 2025.

Section 2 of the act exempts the System Office from the DIT requirements in Article 15 of Chapter 143B of the General Statutes but allows it to elect to participate in the information technology programs, services, or contracts offered by DIT, including information technology procurement, by having the SBCC elect to do so in writing.

Section 3 makes various changes to the statutes governing the NCLDS, including the following:

- Removing the five year limit on the linkage of student data and workforce data.
- Removing the requirement that the Governmental Data Analytics Center (GDAC) designate a compliance timeline for electronic transcripts.
- Requiring GDAC to publish an inventory of the data proposed to be accessible in the NCLDS.
- Moving the NCLDS from being administratively housed within DPI to DIT.
- Requiring that the NCLDS act as a data broker for all public school units and the entire Department of Commerce.
- Requiring the NCLDS and recipients of data in fulfillment of approved data requests to use only aggregated data in public reports.

- Clarifying that all data collected and maintained by the NCLDS remains owned by the contributors and that all data sharing supported by the NCLDS must comply with applicable federal and State laws and regulations.

Section 3 of the act became effective July 1, 2025. The remainder of the act became effective July 3, 2025. (DC)

Universities

Revise Deadline for UNC Report on State Budget Allocations and Policies

Section 2.1 of S.L. 2025-4 (House Bill 74) changes the deadline for the Board of Governors of The University of North Carolina to submit a report on the actions and adjustments necessary to its budgetary policies, regulations, and standards resulting from the Current Operations Appropriation Act to the Joint Legislative Education Oversight Committee, the Senate Appropriations Committee on Education/Higher Education, the House of Representatives Appropriations Subcommittee on Education, and the Fiscal Research Division from February 1 of each year to March 1 of each year.

This section became effective May 14, 2025. (SY)

Nondiscriminatory Admissions Evaluations and Military Deferment

Part IV of S.L. 2025-46 (House Bill 378) was repealed by Section 2.5 of S.L. 2025-92 (House Bill 358). (SY)

University of North Carolina Board of Governors Temporary Employment Authority

Section 2.2 of S.L. 2025-4 (House Bill 74) adds student-oriented professionals and temporary employees to the list of employees of The University of North Carolina who are exempt from most provisions of the Human Resources Act (HRA). These employees continue to be covered by Article 6 of the HRA related to equal employment and compensation opportunities and Article 7 of the HRA related to privacy of employee personnel records.

This section becomes effective January 1, 2026. (BG)

UNC Tuition Discounts for Certain Students

S.L. 2025-17 (House Bill 373), as amended by Section 2.4 of S.L. 2025-92 (House Bill 358), allows constituent institutions of The University of North Carolina (UNC) to discount tuition to qualifying military students up to the difference between the maximum amount of military tuition assistance funds received by the student and the applicable tuition. Qualifying military students are those that are residents of the State for tuition purposes and receive either (i) federal military tuition assistance funds or (ii) military tuition assistance for members of the North Carolina National Guard.

This act also allows constituent institutions to discount tuition to students who are enrolled in an employer-sponsored financial support program approved by the Board of Governors of UNC (BOG). The discount can be up to the difference between the maximum amount provided by the employer and the applicable tuition. Any employer-sponsored financial support program is a program in which the employer of a student has committed to providing financial support to the student to offset the costs of tuition or fees for the student's degree or credential program.

No later than February 15 of each year, the BOG is required to report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division on the discounted tuition provided in the previous academic year for qualifying military students and students enrolled in employer-sponsored financial support programs, including the number of students that received the discounts and the annual financial impact on each constituent institution because of the discounted tuition.

This act became effective June 26, 2025, and applies beginning with the 2025-2026 academic year. (SY)

Increase NC Promise Tuition for Nonresidents

Section 2.2 of S. L. 2025-97 (Senate Bill 449) raises out-of-State tuition for new students enrolled at NC Promise institutions from \$2,500 per semester to \$3,500 per semester beginning in the 2026-2027 academic year. Out-of-State students enrolled at NC Promise institutions for the 2025-2026 academic year will continue to receive the lower rate of tuition while continuously enrolled.

This section became effective July 1, 2025. (SMS)