

Patriot Foundation
North Carolina Patriot Star Family Recovery Scholarship Program (RECOVERY)
Reporting Period: 1 Jan - 31 Dec 2025

1. Introduction.

- a. Patriot Foundation (PF) operates as a contractor for the University of North Carolina (UNC), and receives funds appropriated under Session Law 2021-180, as modified by SL 2022-6 and SL 2022-71, to establish and administer scholarships under the Patriot Star Family Recovery Scholarship Program (RECOVERY).
- b. This report is provided to the University of North Carolina as the disbursing agency, pursuant to provisions of the NCAC and the above cited legislation, for further distribution to the Joint Legislative Education Oversight Committee, the Senate Appropriations Committee on Education/Higher Education, the House Appropriations Committee on Education, and the Fiscal Research Division as required.
- c. PF fiscal year is the calendar year; this report provides information on State Fiscal Recovery Funds received and expended during CY 2025.
- d. Single audit will be forwarded when completed, not later than 31 October 2026.

2. Program and Funding Overview.

- a. The RECOVERY program is funded by the State Fiscal Recovery Fund, appropriated by the NC legislature to the UNC System and earmarked for execution by the Patriot Foundation. The NC Pandemic Recovery Office is providing additional oversight over the program through the UNC system, including quarterly reporting of measures of performance, and program audits by both government and private entities.
- b. The RECOVERY program shares features with the STAR program but is differentiated in purpose and by the addition of eligibility criteria related to household income. Per the legislation: “Patriot Foundation...shall provide for scholarships under the Program to eligible children, eligible spouses of certain veterans, eligible children of certain currently serving members of the Armed Forces, and eligible disabled veterans to attend eligible postsecondary institutions to ***help remediate the impacts of the COVID-19 pandemic so that individuals who meet certain income criteria can recover learning*** and achieve credential and degree attainment [emphasis added].” The income criteria for eligibility is household income no greater than 350% of the federal poverty level.
- c. Patriot Foundation has drawn all available funds for this program, at \$13 million, as of 2024.

3. Program Administration.

- a. We have hired dedicated personnel to administer these scholarships; contracted with a private firm to manage our application portal and database; contracted with the NC State Educational Assistance Authority to serve as our fiscal agent to the schools that they service; and hired an account firm qualified to conduct a single audit as required by subchapter 03M of the North Carolina Administrative Code. This infusion of expertise, as well as access to a network of relationships with the bursars and coordinators of veterans' affairs of many colleges and universities across the state, ensures we have the capacity to manage current levels of funding and more, while keeping administrative costs very reasonable. We are confident that we have developed a system that allows us to serve as broad a constituency as possible, verify compliance with state requirements, efficiently collect and manage data, protect user privacy, and scale as necessary.
- b. RECOVERY program funds were required to be obligated by the end of CY2024. Thus, we have obligated all available funds to support existing participants, and have not accepted new applications since 2024. We continue to fund existing program participants.
- c. Over the life of the program, we have served 584 North Carolinians for a total of 1609 semesters. Between now and when the program ends at the end of CY2026, we anticipate funding an additional 512 semesters, with an expense ratio under 6% (see fig. 1).

4. Results.

- a. During calendar year 2025, the Patriot Foundation spent \$3,599,791.53 in State Fiscal Recovery Funds. Of this, \$139,186.53 (3.9%) was spent on operating expenses.
- b. We disbursed \$3,705,100.00 in scholarships, and received \$244,495.00 in funds returned for non-matriculation, exceeded cost of attendance, or failure to maintain satisfactory academic progress. Returned funds were retained to be reissued to qualified participants in future semesters. After returns, a total of \$3,460,605.00 in funds were disbursed for the 2025 calendar year.
- c. We funded a total of 697 semesters in CY2025, at an average of \$6,276 per recipient.
- d. These scholarships were used at 62 different institutions across the state, with recipients from 60 of North Carolina's 100 counties. Over half of recipients were in the UNC system, with about 27% attending community colleges, and the remaining 18% attending private institutions.



Amber Johnson-Carter
Scholarship Administrator
Patriot Foundation

