

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025**

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**SENATE BILL 816**

Short Title: Child. of Wartime Vets Sch'ship Funds & Flex. (Public)

Sponsors: Senators Brinson, McInnis, and Ford (Primary Sponsors).

Referred to: Rules and Operations of the Senate

April 22, 2026

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR THE CHILDREN OF WARTIME VETERANS SCHOLARSHIP PROGRAM AND TO EXPAND FLEXIBILITY PROVIDED FOR THE CHILDREN OF WARTIME VETERANS SCHOLARSHIP FUNDS PROGRAM TO INCLUDE THE 2026-2027 ACADEMIC YEAR.

The General Assembly of North Carolina enacts:

**PART I. FUNDS FOR RECIPIENTS OF THE CHILDREN OF WARTIME VETERANS SCHOLARSHIP IN THE 2025-2026 ACADEMIC YEAR**

**SECTION 1.** There is appropriated from the General Fund to the Board of Governors of The University of North Carolina for the 2025-2026 fiscal year the sum of one million dollars (\$1,000,000) in nonrecurring funds to be allocated to the State Education Assistance Authority (Authority) to increase award amounts for recipients of scholarships for the children of wartime veterans for the 2025-2026 academic year up to the full amounts permitted under Part 2 of Article 14 of Chapter 143B of the General Statutes to the extent those award amounts were reduced by the Secretary of the Department of Military and Veterans Affairs pursuant to the award flexibility provided in Part VI of S.L. 2025-72. If any of these funds remain after increasing award amounts for scholarship recipients in accordance with this section, the Authority may use the remaining funds to award additional scholarships for qualifying children of wartime veterans under Part 2 of Article 14 of Chapter 143B of the General Statutes, beginning in the 2026-2027 academic year.

**PART II. FUNDS FOR ADDITIONAL AWARDS FOR THE CHILDREN OF WARTIME VETERANS SCHOLARSHIP IN THE 2026-2027 ACADEMIC YEAR**

**SECTION 2.(a)** Notwithstanding G.S. 143B-1226, for new applications for scholarships for children of wartime veterans under Part 2 of Article 14 of Chapter 143B of the General Statutes, the Secretary of the Department of Military and Veterans Affairs may increase the number of Class II and Class III scholarships awarded in the 2026-2027 academic year from 100 to 200 children in each class.

**SECTION 2.(b)** There is appropriated from the Escheat Fund to the Board of Governors of The University of North Carolina the sum of ten million dollars (\$10,000,000) in recurring funds beginning in the 2026-2027 fiscal year to be allocated to the State Education Assistance Authority to support additional scholarships for qualifying children of wartime veterans under Part 2 of Article 14 of Chapter 143B of the General Statutes in accordance with subsection (a) of this section.

**SECTION 2.(c)** This section becomes effective July 1, 2026.



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2 **PART III. EXPAND EXISTING FLEXIBILITY FOR THE CHILDREN OF WARTIME**  
3 **VETERANS SCHOLARSHIP FUNDS PROGRAM TO INCLUDE THE 2026-2027**  
4 **ACADEMIC YEAR**

5 **SECTION 3.** Section 6 of S.L. 2025-72 reads as rewritten:

6 **"SECTION 6.(a)** For purposes of subsection (b) of this section, the following definitions  
7 shall apply:

- 8 (1) Authority. – The State Education Assistance Authority.  
9 (2) Commission. – The Veterans' Affairs Commission of the Department.  
10 (3) Department. – The Department of Military and Veterans Affairs.  
11 (4) Program. – The program administered by the Department to award scholarship  
12 funds that is referred to as Scholarships for Children of Wartime Veterans.  
13 (5) Scholarship funds. – Scholarship funds awarded to the child of a North  
14 Carolina veteran under Part 2 of Article 14 of Chapter 143B of the General  
15 Statutes.  
16 (6) Secretary. – The Secretary of the Department of Military and Veterans Affairs.

17 **"SECTION 6.(b)** Notwithstanding Part 2 of Article 14 of Chapter 143B of the General  
18 Statutes and any rules adopted or determinations made by the Veterans Affairs Commission, for  
19 the ~~2024-2025 academic year and the 2025-2026 academic year, 2024-2025, 2025-2026, and~~  
20 2026-2027 academic years, the following shall apply relating to the administration of scholarship  
21 funds under the Program:

- 22 (1) Within funds available for the Program, the following shall be determined:  
23 a. Due to the sacrifice of veterans for the State of North Carolina and the  
24 unique needs and challenges of the children of wartime veterans to  
25 ensure they have the greatest opportunities to reach their higher  
26 education attainment goals, if there are additional eligible recipients,  
27 other than those identified by the Department under this Program, who  
28 are attending public colleges and universities of the State who may  
29 qualify to have their scholarships funded with monies from the Escheat  
30 Fund, the Authority, after consultation with the Secretary, may fund  
31 those scholarships with monies from the Escheat Fund.  
32 b. For the 2025-2026 and 2026-2027 academic years, the following shall  
33 occur:  
34 I. After consultation with the Authority, the Secretary shall  
35 determine whether to prioritize the award of new applicants ~~for~~  
36 ~~the 2025-2026 academic year as follows:~~  
37 I. ~~in~~ In Class I-A, I-B, and IV scholarships, prior to  
38 awarding Class II and III scholarships. Class II and  
39 Class III awards may be determined following awards  
40 for Class I-A, I-B, and IV depending on the availability  
41 of funds for the Program.  
42 II. For the 2026-2027 academic year only, in scholarships  
43 for new applicants who meet the following  
44 requirements:  
45 A. Apply to receive scholarships as undergraduate  
46 students.  
47 B. Qualify as residents for tuition purposes under  
48 the criteria set forth in G.S. 116-143.1 and in  
49 accordance with the coordinated and  
50 centralized residency determination process  
51 administered by the Authority.

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C. Are otherwise eligible to receive scholarships in accordance with the Program requirements.

~~e.2.~~ The Secretary, after consulting with the Authority, may determine the following based on the number of eligible students, including new and renewal students, ~~that have applied for the 2025-2026 academic year, students:~~

I. For the 2025-2026 academic year, 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.

II. For the 2026-2027 academic year, whether to establish a standardized payment schedule or formula within available funds for the academic year to ensure the efficient and effective administration of the scholarships.

~~d.3.~~ ~~After the actions set forth in sub-subdivisions a., b., and c. of this subdivision have been taken, for awards for the 2025-2026 academic year,~~ After the preceding actions have been taken, if funds available for the Program are still insufficient to provide scholarships to all eligible students, the Authority may adjust and standardize award amounts as necessary, including establishing a lottery and providing pro rata scholarship awards for room and board, or both, for the applicable academic year, to ensure the efficient administration of the scholarship funds.

- (2) All scholarship notifications shall include language that the award of the scholarship is contingent upon the availability of funds.
- (3) The Authority shall disburse scholarship funds in accordance with G.S. 116-204(11a).
- (4) From the total amount of funding appropriated to the Board of Governors of The University of North Carolina and allocated to the Authority in a fiscal year to support the award of scholarship funds under the Program, the Authority may use an amount of up to two and one-half percent (2.5%) for administration costs related to the Program from the allocation from the General Fund. The Authority shall place any unexpended and unencumbered appropriated funds remaining at the end of the ~~2024-2025 and 2025-2026 fiscal years~~ 2024-2025, 2025-2026, and 2026-2027 fiscal years into an institutional trust fund established in accordance with the provisions of G.S. 116-36.1. Those funds may be used for the purpose of awarding scholarships under the Program and for administration costs of the Authority related to the Program.

"SECTION 6.(c) This section becomes effective June 30, 2025, and applies to awards granted for the ~~2024-2025 and 2025-2026 academic years.~~ 2024-2025, 2025-2026, and 2026-2027 academic years."

**PART IV. EFFECTIVE DATE**

**SECTION 4.** Except as otherwise provided, this act is effective when it becomes law.