

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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HOUSE BILL 823
Committee Substitute Favorable 5/2/23
Committee Substitute #2 Favorable 5/16/23

Short Title: Choose Your School, Choose Your Future. (Public)

Sponsors:

Referred to:

April 19, 2023

1 A BILL TO BE ENTITLED
2 AN ACT TO EXPAND ELIGIBILITY FOR OPPORTUNITY SCHOLARSHIPS.
3 The General Assembly of North Carolina enacts:
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5 **PART I. EXPAND ELIGIBILITY FOR OPPORTUNITY SCHOLARSHIPS**

6 **SECTION 1.(a)** G.S. 115C-562.1(3), (3c), and (5c) are repealed.

7 **SECTION 1.(b)** G.S. 115C-562.1 is amended by adding a new subdivision to read:

8 "(3a) Eligible student. – A student residing in North Carolina who has not yet
9 received a high school diploma and who meets all of the following
10 requirements:

- 11 a. Is eligible to attend a North Carolina public school pursuant to Article
12 25 of this Chapter. A child who is the age of 4 on or before April 16 is
13 eligible to attend the following school year if the principal, or
14 equivalent, of the school in which the child seeks to enroll finds that
15 the student meets the requirements established by the Authority
16 pursuant to G.S. 115C-562.2(d) and those findings are submitted to the
17 Authority.
18 b. Has not been enrolled in a postsecondary institution as a full-time
19 student taking at least 12 hours of academic credit.
20 c. Has not been placed in a nonpublic school or facility by a public
21 agency at public expense."

22 **SECTION 1.(c)** G.S. 115C-562.2 reads as rewritten:

23 **"§ 115C-562.2. Scholarship grants.**

24 (a) The Authority shall make available no later than February 1 annually applications to
25 eligible students for the award of scholarship grants to attend any nonpublic ~~school~~. school on a
26 full- or part-time basis. Information about scholarship grants and the application process shall be
27 made available on the Authority's Web site. Beginning March 15, the Authority shall begin
28 awarding scholarship grants according to the following criteria:

- 29 (1) First priority shall be given to eligible students who received a scholarship
30 grant for the school year prior to the school year for which the students are
31 applying if those students have applied by March 1.
32 (2) After scholarship grants have been awarded to prior recipients as provided in
33 subdivision (1) of this subsection, scholarships shall be awarded with
34 remaining funds as follows:



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- a. At least fifty percent (50%) of the remaining funds shall be used to award scholarship grants to eligible students residing in households with an income level not in excess of the amount required for the student to qualify for the federal free or reduced-price lunch program.
- b. Repealed by Session Laws 2020-97, s. 3.3(a), effective September 4, 2020.
- c. Any remaining funds shall be used to award scholarship grants to all other eligible students.

~~(b) Scholarship grants awarded to eligible students residing in households with an income level not in excess of the amount required for the student to qualify for the federal free or reduced-price lunch program shall be, per year per eligible student, in an amount of up to ninety percent (90%) as a full-time student or up to forty-five percent (45%) as a part-time student of the average State per pupil allocation for average daily membership in the prior fiscal year. Scholarship grants awarded to eligible students residing in households with an income level in excess of the amount required for the student to qualify for the federal free or reduced-price lunch program shall be for amounts of not more than ninety percent (90%) of the required tuition and fees as a full-time student or forty-five percent (45%) of the required tuition and fees as a part-time student for the nonpublic school the eligible child will attend. Tuition and fees for a nonpublic school may include tuition and fees for books, transportation, equipment, or other items required by the nonpublic school. No scholarship grant shall exceed, per year per eligible student, an amount equal to ninety percent (90%) for a full-time student or forty-five percent (45%) for a part-time student of the average State per pupil allocation for average daily membership in the prior fiscal year, and no scholarship grant shall exceed the required tuition and fees for the nonpublic school the eligible student will attend.~~

(b1) Repealed by Session Laws 2021-180, s. 8A.3(e), effective July 1, 2021.

(b2) Beginning with the 2024-2025 school year, scholarship grants shall be awarded to eligible students as follows:

- (1) For students residing in households with an income level not in excess of the amount required for the student to qualify for the federal free or reduced-price lunch program, per year per eligible student, an amount of up to one hundred percent (100%) of the average State per pupil allocation for average daily membership in the prior fiscal year.
- (2) For students residing in households with an income level between the amount required for the student to qualify for the federal free or reduced-price lunch program and not in excess of two hundred percent (200%) of that amount, per year per eligible student, an amount of up to ninety percent (90%) of the average State per pupil allocation for average daily membership in the prior fiscal year.
- (3) For students residing in households with an income level of between two hundred percent (200%) of the amount required for the student to qualify for the federal free or reduced-price lunch program and not in excess of four hundred fifty percent (450%) of that amount, per year per eligible student, an amount of up to sixty percent (60%) of the average State per pupil allocation for average daily membership in the prior fiscal year.
- (4) For all students, per year per eligible student, an amount of up to forty-five percent (45%) of the average State per pupil allocation for average daily membership in the prior fiscal year, unless the student qualifies for a higher amount under this subsection.

(b3) Tuition and fees for a nonpublic school may include tuition and fees for books, transportation, equipment, or other items required by the nonpublic school.

(b4) No scholarship grant shall exceed, per year per eligible student, an amount equal to one hundred percent (100%) of the average State per pupil allocation for average daily membership in the prior fiscal year, and no scholarship grant shall exceed the required tuition and fees for the nonpublic school the eligible student will attend.

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SECTION 1.(d) G.S. 115C-562.3 reads as rewritten:

"§ 115C-562.3. Verification of eligibility; information from other State agencies.

(a) To verify that the domicile requirements of G.S. 115C-366 are met for State residency, the Authority shall establish a domicile determination system and shall establish rules for determination of domicile within the State in accordance with this subsection. The Division of Motor Vehicles of the Department of Transportation, the Department of Public Instruction, the Department of Commerce, the Department of Health and Human Services, the Department of Revenue, the State Board of Elections, and the State Chief Information Officer each shall expeditiously cooperate with the Authority in verifying electronically, or by other similarly effective and efficient means, evidence submitted to the Authority for the purposes of establishing the domicile required by G.S. 115C-366 for State residency. The Authority shall accept any of the following as evidence of domicile within the State:

- (1) Verified unexpired State drivers license or unexpired State identification card.
- (2) Verified current State voter registration.
- (3) Verified current receipt of public benefits from a State agency.
- (4) Verified filing of State income taxes for the year prior to application.
- (5) Verified enrollment in a North Carolina public school at the time of application.
- (6) An electronically submitted copy of one of the following current documents that show the name of the parent and an address within the State:
 - a. A utility bill.
 - b. A bank statement.
 - c. A government check.
 - d. A paycheck.
 - e. Any other government document.

(a1) ~~The~~ In addition to the requirements of subsection (a) of this section, the Authority may seek verification of information on any application for scholarship grants from eligible students. The Authority shall select and verify six percent (6%) four percent (4%) of applications for scholarship grant funds awarded under G.S. 115C-562.2(b2)(1) through (b2)(3) annually, including those with apparent errors on the face of the application. The Authority shall establish rules for the verification process and may use the federal verification requirements process for free and reduced-price lunch applications as guidance for those rules. If a household fails to cooperate with verification efforts, the Authority shall revoke the award of the scholarship grant to the eligible student.

(b) Household members of applicants for scholarship grants shall authorize the Authority to access information needed for verification efforts conducted under this section held by other State agencies, including the Department of Revenue, the Department of Health and Human Services, and the Department of Public Instruction. ~~The Department of Public Instruction shall provide the Authority with public school enrollment information to establish eligibility pursuant to G.S. 115C-562.1(3)a., as needed.~~

(c) By December 1 of each year, the Department of Public Instruction shall provide the Authority the average State per pupil allocation for that fiscal year to determine the maximum scholarship amount for eligible students to be awarded in the following fiscal year in accordance with ~~G.S. 115C-562.2(b).~~ G.S. 115C-562.2(b2)."

SECTION 1.(e) Notwithstanding G.S. 115C-562.3(a), as enacted by this act, as part of a student's application for a scholarship grant pursuant to Part 2A of Article 39 of Chapter

1 115C of the General Statutes for the 2024-2025 school year, a parent shall certify to the State
2 Education Assistance Authority that the domicile requirements of G.S. 115C-562.1(3a), as
3 enacted by this act, are met for eligibility purposes in lieu of submitting evidence electronically
4 to the State Education Assistance Authority through a domicile determination system. The State
5 Education Assistance Authority shall select six percent (6%) of the applications for the
6 2024-2025 school year to verify the domicile requirements are met for the award of a scholarship
7 grant to an eligible student. As evidence of domicile, the State Education Assistance Authority
8 may accept the submission of any of the documents set forth under G.S. 115C-562.3(a). If a
9 parent fails to cooperate with verification efforts under this section, the State Education
10 Assistance Authority shall revoke the award of the scholarship grant to the eligible student. In
11 addition, if the State Education Assistance Authority determines that the certification of the
12 parent contains falsified information, the parent may be subject to administrative, civil, or
13 criminal penalties. The State Education Assistance Authority shall include a notice of the
14 potential for the imposition of penalties when requesting certification as part of the application
15 process.
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17 **PART II. EFFECTIVE DATE**

18 **SECTION 2.** This act is effective July 1, 2023, and applies to applications for
19 scholarship grants beginning with the 2024-2025 school year.