

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

**H.B 955**  
**Apr 25, 2016**  
**HOUSE PRINCIPAL CLERK**

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HOUSE BILL DRH30445-MKa-171B (02/09)

Short Title: Changes Special Ed./Opportunity Scholarships. (Public)

Sponsors: Representatives Bryan, Stam, Jordan, and Blackwell (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO THE SPECIAL EDUCATION SCHOLARSHIP GRANT PROGRAM FOR CHILDREN WITH DISABILITIES AND TO MAKE CHANGES TO THAT PROGRAM AND TO MAKE CHANGES TO THE OPPORTUNITY SCHOLARSHIP GRANT PROGRAM.

The General Assembly of North Carolina enacts:

**PART I. FUNDS/CHANGES TO THE SPECIAL EDUCATION SCHOLARSHIP GRANT PROGRAM FOR CHILDREN WITH DISABILITIES**

**SECTION 1.1.** G.S. 115C-112.5(2) reads as rewritten:

"(2) Eligible student. – A child under the age of 22 who meets all of the following criteria:

- a. Is a child with a disability.
- b. Is eligible to attend a North Carolina public school pursuant to G.S. 115C-366.
- c. Has not been placed in a nonpublic school or facility by a public agency at public expense.
- d. Has not been enrolled in a postsecondary institution as a full-time student taking at least 12 hours of academic credit.
- e. Has not received a high school diploma.
- f. Meets at least one of the following requirements:
  1. Was enrolled in a North Carolina public school during the previous semester.
  2. Received special education or related services through the North Carolina public schools as a preschool child with a disability during the previous semester.
  3. Was approved for a scholarship for the previous semester.
  4. Is a child who is identified as a child with a disability prior to the end of the year of initial enrollment in kindergarten or first grade. An award by the Authority based on eligibility under this sub-sub-subdivision shall be conditional. If documentation is not provided to the Authority that the child is a child with a disability prior to the end of the year of initial enrollment, (i) no reimbursement shall be awarded and (ii) the child shall not qualify the following year as an eligible student under sub-sub-subdivision 3. of this section.



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1                   5.     Is a child whose parent or legal guardian is on full-time duty  
2                   status in the active uniformed service of the United States,  
3                   including members of the National Guard and Reserve on active  
4                   duty orders pursuant to 10 U.S.C. § 12301, et seq., and 10  
5                   U.S.C. § 12401, et seq."

6     **SECTION 1.2.** G.S. 115C-112.6(b1)(1) reads as rewritten:

7     "~~(1) Scholarship Tuition endorsement for tuition and reimbursement. — The~~  
8     ~~Authority shall remit, at least two times each school year, scholarship funds~~  
9     ~~awarded to eligible students for endorsement by at least one of the student's~~  
10    ~~parents or guardians for tuition to attend (i) a North Carolina public school~~  
11    ~~other than the public school to which that student has been assigned as provided~~  
12    ~~in G.S. 115C-366 or (ii) a nonpublic school that meets the requirements of Part~~  
13    ~~1 or Part 2 of Article 39 of this Chapter as identified by the Department of~~  
14    ~~Administration, Division of Nonpublic Education. The Authority shall disburse~~  
15    ~~scholarship funds awarded to eligible students for tuition at a nonpublic school~~  
16    ~~based upon the method selected by the nonpublic school. A nonpublic school~~  
17    ~~may elect to participate in the scholarship endorsement for tuition option or the~~  
18    ~~reimbursement for tuition option as set forth in this subdivision. Scholarship~~  
19    ~~funds shall not be provided for tuition for home schooled students. ~~If the~~~~  
20    ~~student is attending a nonpublic school, the school must be deemed eligible by~~  
21    ~~the Division of Nonpublic Education, pursuant to G.S. 115C-562.4, and the~~  
22    ~~school shall be subject to the requirements of G.S. 115C-562.5. The parent or~~  
23    ~~guardian shall restrictively endorse the scholarship funds awarded to the~~  
24    ~~eligible student to the school for deposit into the account of the school. The~~  
25    ~~parent or guardian shall not designate any entity or individual associated with~~  
26    ~~the school as the parent's attorney in fact to endorse the scholarship funds but~~  
27    ~~shall endorse the scholarship funds in person at the site of the school. A parent's~~  
28    ~~or guardian's failure to comply with this section shall result in forfeiture of the~~  
29    ~~scholarship funds. A scholarship forfeited for failure to comply with this~~  
30    ~~section shall be returned to the Authority to be awarded to another~~  
31    ~~student.~~ Scholarship funds for tuition shall be disbursed as follows:

32    a.     Scholarship endorsement for tuition. – The Authority shall remit, at  
33    least two times each school year, scholarship funds awarded to eligible  
34    students for endorsement by at least one of the student's parents or  
35    guardians for tuition to attend a nonpublic school that meets the  
36    requirements of Part 1 or Part 2 of Article 39 of this Chapter as  
37    identified by the Department of Administration, Division of Nonpublic  
38    Education, is deemed eligible by the Division, and is subject to the  
39    requirements of G.S. 115C-562.5. The parent or guardian shall  
40    restrictively endorse the scholarship funds awarded to the eligible  
41    student to the school for deposit into the account of the school. The  
42    parent or guardian shall not designate any entity or individual associated  
43    with the school as the parent's attorney-in-fact to endorse the  
44    scholarship funds but shall endorse the scholarship funds in person at  
45    the site of the school. A parent's or guardian's failure to comply with this  
46    section shall result in forfeiture of the scholarship funds. A scholarship  
47    forfeited for failure to comply with this section shall be returned to the  
48    Authority to be awarded to another student.

49    b.     Reimbursement for tuition. – The parent or guardian of an eligible  
50    student who enrolls in a school that is (i) a North Carolina public school  
51    other than the public school to which that student has been assigned as

1 provided in G.S. 115C-366 or (ii) a nonpublic school that meets the  
2 requirements of Part 1 or Part 2 of Article 39 of this Chapter as  
3 identified by the Department of Administration, Division of Nonpublic  
4 Education, is deemed eligible by the Division, and is not subject to  
5 G.S. 115C-562.5 shall pay tuition directly to the school. The Authority  
6 shall reimburse the parent or guardian no sooner than the midpoint of  
7 each semester. A parent or guardian may receive reimbursement for  
8 tuition if the parent or guardian provides documentation that the student  
9 was enrolled in a school under this sub-subdivision."

10 **SECTION 1.3.** Notwithstanding G.S. 115C-112.5(2)f.1., for the 2016-2017 school  
11 year only, a child shall be deemed to have met the eligibility requirement of enrollment in a North  
12 Carolina public school during the previous semester under G.S. 115C-112.5(2)f.1. if (i) the child's  
13 parent or guardian submitted an application and was eligible to receive a scholarship grant under  
14 Part 1H of Article 9 of Chapter 115C of the General Statutes for the 2015-2016 school year and  
15 was enrolled in a public school for at least 75 days during the spring semester of the 2014-2015  
16 school year or (ii) the child was enrolled for at least 75 days during the spring semester of the  
17 2015-2016 school year.

18 **SECTION 1.4.** There is appropriated from the General Fund to the Board of  
19 Governors of The University of North Carolina the sum of five million eight hundred thousand  
20 dollars (\$5,800,000) in recurring funds for the 2016-2017 fiscal year to be allocated to the State  
21 Education Assistance Authority to award special education scholarship grants for children with  
22 disabilities under Part 1H of Article 9 of Chapter 115C of the General Statutes.

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## 24 **PART II. CHANGES TO THE OPPORTUNITY SCHOLARSHIP GRANT PROGRAM**

25 **SECTION 2.1.** G.S. 115C-562.1(3) reads as rewritten:

26 "(3) Eligible students. – A student who has not yet received a high school diploma  
27 and who meets all of the following requirements:

28 a. Meets one of the following criteria:

- 29 1. Was a full-time student assigned to and attending a public school  
30 pursuant to G.S. 115C-366 during the previous semester.
- 31 2. Received a scholarship grant during the previous school year.
- 32 3. Is entering either kindergarten or the first grade.
- 33 4. Is a child in foster care as defined in G.S. 131D-10.2(9).
- 34 5. Is a child whose adoption decree was entered not more than one  
35 year prior to submission of the scholarship grant application.
- 36 6. Is a child whose parent or legal guardian is on full-time duty  
37 status in the active uniformed service of the United States,  
38 including members of the National Guard and Reserve on active  
39 duty orders pursuant to 10 U.S.C. § 12301, et seq., and 10  
40 U.S.C. § 12401, et seq.

41 b. Resides in a household with an income level not in excess of one  
42 hundred thirty-three percent (133%) of the amount required for the  
43 student to qualify for the federal free or reduced-price lunch program."

44 **SECTION 2.2.** G.S. 115C-562.2(a)(2) reads as rewritten:

45 "(2) After scholarship grants have been awarded to prior recipients as provided in  
46 subdivision (1) of this subsection, scholarships shall be awarded with remaining  
47 funds as follows:

48 a. At least fifty percent (50%) of the remaining funds shall be used to  
49 award scholarship grants to eligible students residing in households with  
50 an income level not in excess of the amount required for the student to  
51 qualify for the federal free or reduced-price lunch program.

- 1                   b.     No more than ~~thirty-five percent (35%)~~ forty-five percent (45%) of the  
2                   remaining funds shall be used to award scholarship grants to eligible  
3                   students entering either kindergarten or first grade. The following  
4                   kindergarten and first grade eligible students shall not be included in  
5                   determining the number of scholarship grants allowable under this  
6                   sub-subdivision:
- 7                   1.     Students who have an eligible sibling who is receiving a  
8                   scholarship grant under this Part.
  - 9                   2.     Students who have a sibling attending a North Carolina public  
10                  school pursuant to G.S. 115C-366.
  - 11                  3.     Students who are eligible for a scholarship grant pursuant to  
12                  G.S. 115C-562.1(3)a.6.
- 13                  c.     Any remaining funds shall be used to award scholarship grants to all  
14                  other eligible students."  
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16 **PART III. EFFECTIVE DATE**

17                  **SECTION 3.** Section 1.4 of this act becomes effective July 1, 2016. The remainder of  
18 this act is effective when this act becomes law and applies beginning with the 2016-2017 school  
19 year.