

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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HOUSE BILL 823
Committee Substitute Favorable 5/2/23
PROPOSED COMMITTEE SUBSTITUTE H823-PCS10469-TC-39

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:

4
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6 **SECTION 1.(a)** G.S. 115C-562.1(3), (3c), and (5c) are repealed.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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- 1 a. At least fifty percent (50%) of the remaining funds shall be used to
2 award scholarship grants to eligible students residing in households
3 with an income level not in excess of the amount required for the
4 student to qualify for the federal free or reduced-price lunch program.
5 b. Repealed by Session Laws 2020-97, s. 3.3(a), effective September 4,
6 2020.
7 c. Any remaining funds shall be used to award scholarship grants to all
8 other eligible students.

9 ~~(b) Scholarship grants awarded to eligible students residing in households with an income
10 level not in excess of the amount required for the student to qualify for the federal free or
11 reduced-price lunch program shall be, per year per eligible student, in an amount of up to ninety
12 percent (90%) as a full-time student or up to forty-five percent (45%) as a part-time student of
13 the average State per pupil allocation for average daily membership in the prior fiscal year.
14 Scholarship grants awarded to eligible students residing in households with an income level in
15 excess of the amount required for the student to qualify for the federal free or reduced-price lunch
16 program shall be for amounts of not more than ninety percent (90%) of the required tuition and
17 fees as a full-time student or forty-five percent (45%) of the required tuition and fees as a
18 part-time student for the nonpublic school the eligible child will attend. Tuition and fees for a
19 nonpublic school may include tuition and fees for books, transportation, equipment, or other
20 items required by the nonpublic school. No scholarship grant shall exceed, per year per eligible
21 student, an amount equal to ninety percent (90%) for a full-time student or forty-five percent
22 (45%) for a part-time student of the average State per pupil allocation for average daily
23 membership in the prior fiscal year, and no scholarship grant shall exceed the required tuition
24 and fees for the nonpublic school the eligible student will attend.~~

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

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

- 28 (1) For students residing in households with an income level not in excess of the
29 amount required for the student to qualify for the federal free or reduced-price
30 lunch program, per year per eligible student, an amount of up to one hundred
31 percent (100%) of the average State per pupil allocation for average daily
32 membership in the prior fiscal year.
33 (2) For students residing in households with an income level between the amount
34 required for the student to qualify for the federal free or reduced-price lunch
35 program and not in excess of two hundred percent (200%) of that amount, per
36 year per eligible student, an amount of up to ninety percent (90%) of the
37 average State per pupil allocation for average daily membership in the prior
38 fiscal year.
39 (3) For students residing in households with an income level of between two
40 hundred percent (200%) of the amount required for the student to qualify for
41 the federal free or reduced-price lunch program and not in excess of four
42 hundred fifty percent (450%) of that amount, per year per eligible student, an
43 amount of up to sixty percent (60%) of the average State per pupil allocation
44 for average daily membership in the prior fiscal year.
45 (4) For all students, per year per eligible student, an amount of up to forty-five
46 percent (45%) of the average State per pupil allocation for average daily
47 membership in the prior fiscal year, unless the student qualifies for a higher
48 amount under this subsection.

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

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

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

7 "**§ 115C-562.3. Verification of eligibility; information from other State agencies.**

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

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

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

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

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

50 **SECTION 1.(e)** Notwithstanding G.S. 115C-562.3(a), as enacted by this act, as part
51 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.