

# TABLED



NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
House Bill 823

AMENDMENT NO. **A1**  
(to be filled in by  
Principal Clerk)

H823-AMTa-48 [v.3]

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Amends Title [YES]  
Fifth Edition

Date \_\_\_\_\_, 2024

Senator Garrett

1 moves to amend the bill on page 1, line 4, by inserting the following immediately before the  
2 period:

3  
4 "AND TO PROVIDE ADDITIONAL ACCOUNTABILITY MEASURES FOR  
5 OPPORTUNITY SCHOLARSHIPS AND THE PERSONAL EDUCATION STUDENT  
6 ACCOUNTS FOR CHILDREN WITH DISABILITIES PROGRAM.";

7  
8 and on page 3, lines 7-8, by inserting the following between the lines:

9  
10 "PART III. CHANGES AND ADDITIONAL ACCOUNTABILITY MEASURES FOR  
11 OPPORTUNITY SCHOLARSHIPS

12 SECTION 3.(a) Subsection (b) of G.S. 115C-562.2 is reenacted.

13 SECTION 3.(b) G.S. 115C-562.2, as amended by Section 8A.6(c) of S.L. 2023-134  
14 and subsection (a) of this section, reads as rewritten:

15 "§ 115C-562.2. Scholarship grants.

16 (a) The Authority shall make available no later than February 1 annually applications to  
17 eligible students for the award of scholarship grants to attend any nonpublic school on a full- or  
18 part-time basis. Information about scholarship grants and the application process shall be made  
19 available on the Authority's ~~Web site~~, website. Beginning March 15, the Authority shall begin  
20 awarding scholarship grants to students who have applied by ~~March 1 in the following order:~~

- 21 (1) ~~Eligible students who received a scholarship grant for the school year prior to~~
- 22 ~~the school year for which the students are applying.~~
- 23 (2) ~~Eligible students qualifying for a scholarship grant in the amount provided~~
- 24 ~~under subdivision (1) of subsection (b2) of this section.~~
- 25 (3) ~~Eligible students qualifying for a scholarship grant in the amount provided~~
- 26 ~~under subdivision (2) of subsection (b2) of this section.~~
- 27 (4) ~~Eligible students qualifying for a scholarship grant in the amount provided~~
- 28 ~~under subdivision (3) of subsection (b2) of this section.~~
- 29 (5) ~~All other students.~~ March 1.

30 (b) Scholarship grants awarded to eligible students residing in households with an income  
31 level not in excess of the amount required for the student to qualify for the federal free or  
32 reduced-price lunch program shall be, per year per eligible student, in an amount of up to ninety



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

14 ...

15 (b2) ~~Scholarship grants shall be awarded to eligible students as follows:~~

- 16 (1) ~~For students residing in households with an income level not in excess of the~~  
17 ~~amount required for the student to qualify for the federal free or reduced-price~~  
18 ~~lunch program, per year per eligible student, an amount of up to one hundred~~  
19 ~~percent (100%) of the average State per pupil allocation for average daily~~  
20 ~~membership in the prior fiscal year.~~
- 21 (2) ~~For students residing in households with an income level between the amount~~  
22 ~~required for the student to qualify for the federal free or reduced-price lunch~~  
23 ~~program and not in excess of two hundred percent (200%) of that amount, per~~  
24 ~~year per eligible student, an amount of up to ninety percent (90%) of the~~  
25 ~~average State per pupil allocation for average daily membership in the prior~~  
26 ~~fiscal year.~~
- 27 (3) ~~For students residing in households with an income level of between two~~  
28 ~~hundred percent (200%) of the amount required for the student to qualify for~~  
29 ~~the federal free or reduced-price lunch program and not in excess of four~~  
30 ~~hundred fifty percent (450%) of that amount, per year per eligible student, an~~  
31 ~~amount of up to sixty percent (60%) of the average State per pupil allocation~~  
32 ~~for average daily membership in the prior fiscal year.~~
- 33 (4) ~~For all students, per year per eligible student, an amount of up to forty-five~~  
34 ~~percent (45%) of the average State per pupil allocation for average daily~~  
35 ~~membership in the prior fiscal year, unless the student qualifies for a higher~~  
36 ~~amount under this subsection.~~

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

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

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1 (b5) In addition to the amount of the scholarship grant, for any student receiving a  
2 scholarship grant in grades three, eight, or 11, the Authority shall provide to the nonpublic school  
3 an amount equal to the cost of the nationally standardized test required to be administered as  
4 provided in G.S. 115C-562.5.

5 ...."

6 **SECTION 3.(c)** G.S. 115C-562.5, as amended by Sections 7.80, 8A.6, 8A.12, and  
7 8A.16 of S.L. 2023-134, reads as rewritten:

8 "**§ 115C-562.5. Obligations of nonpublic schools accepting eligible students receiving**  
9 **scholarship grants.**

10 (a) A nonpublic school that accepts eligible students receiving scholarship grants shall  
11 comply with the following:

12 (1) ~~Provide~~ Annually provide to the Authority documentation for required tuition  
13 and fees charged to the student by the nonpublic school. A nonpublic school  
14 that accepts eligible students receiving scholarship grants shall not increase  
15 tuition in a given year by more than the change in the Consumer Price Index,  
16 as calculated and reported by the Federal Bureau of Labor Statistics, that is  
17 reported in the calendar year in which the tuition increase would occur.

18 (2) Provide to the Authority a criminal background check conducted for the staff  
19 member with the highest decision-making authority, as defined by the bylaws,  
20 articles of incorporation, or other governing document. Information provided  
21 to the Authority in accordance with this subdivision is privileged information  
22 and is not a public record but is for the exclusive use of the Authority.

23 (3) Provide to the parent or guardian of an eligible student, whose tuition and fees  
24 are paid in whole or in part with a scholarship grant, an annual written  
25 explanation of the student's progress, including the student's scores on  
26 standardized achievement tests.

27 (4) ~~Administer, at least once in each school year, tests as provided in this~~  
28 ~~subdivision.~~ Administer each school year all tests required by the State Board  
29 of Education pursuant to G.S. 115C-174.11(c) for students in grades three and  
30 higher in a local school administrative unit. Test performance data for students  
31 shall be submitted to the Authority by July 15 of each year. The nonpublic  
32 school shall retain this data for five years, and the Authority may audit the  
33 nonpublic school to ensure compliance with the retention requirement. Test  
34 performance data reported to the Authority or collected by the Authority under  
35 this subdivision is not a public record under Chapter 132 of the General  
36 Statutes. Statutes, to the extent the data contains personally identifiable  
37 information. Tests shall be administered to all eligible students enrolled in  
38 grades three and higher whose tuition and fees are paid in whole or in part  
39 with a scholarship grant as follows:

40 a. ~~The nationally standardized test designated by the Authority in grades~~  
41 ~~three and eight.~~

42 b. ~~The ACT in grade 11.~~

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- 1 e. ~~A nationally standardized test or other nationally standardized~~
- 2 ~~equivalent measurement selected by the chief administrative officer of~~
- 3 ~~the nonpublic school in all other grades four and higher. For grades~~
- 4 ~~four through seven, the nationally standardized test or other equivalent~~
- 5 ~~measurement selected must measure achievement in the areas of~~
- 6 ~~English grammar, reading, spelling, and mathematics. For grades nine,~~
- 7 ~~10, and 12, the nationally standardized test or other equivalent~~
- 8 ~~measurement selected must measure either (i) achievement in the areas~~
- 9 ~~of English grammar, reading, spelling, and mathematics or (ii)~~
- 10 ~~competencies in the verbal and quantitative areas.~~ Nothing in
- 11 this subdivision shall prohibit a nonpublic school from administering
- 12 additional tests to its students.
- 13 (5) Provide to the Authority graduation rates of the students receiving scholarship
- 14 grants—grants, including four-year cohort graduation rates, in a manner
- 15 consistent with nationally recognized standards. Title I of the Elementary and
- 16 Secondary Education Act of 1965, as amended, and any associated federal
- 17 regulations.
- 18 (6) Contract with a certified public accountant to perform a financial review, an
- 19 audit, consistent with generally accepted methods of accounting or any other
- 20 comprehensive basis of accounting recognized by the American Institute of
- 21 Certified Public Accountants (AICPA) for each school year in which the
- 22 school enrolls 70 or more students receiving scholarship grants or scholarship
- 23 funds awarded by the Authority accepts students receiving one hundred
- 24 thousand dollars (\$100,000) or more in scholarship grants awarded under this
- 25 Part. If a school accepts students receiving less than one hundred thousand
- 26 dollars (\$100,000), it shall contract pursuant to this subdivision for an audit
- 27 every three years. A nonpublic school shall report the results of an audit by
- 28 December 31 of the year in which the audit is conducted.
- 29 (7) Maintain a school facility within the State where in-person instruction is
- 30 provided. This subdivision does not prohibit a school from offering
- 31 remote-only courses of instruction in addition to in-person instruction.
- 32 (8) Provide the following information annually to the Division:
- 33 a. Name and address of the school, including physical location address.
- 34 A school with more than one physical location shall establish a
- 35 separate notice of intent for each physical location and shall provide
- 36 all information required by this subdivision for each physical location.
- 37 b. The name of the owners and chief administrator—administrator,
- 38 including contact information.
- 39 c. Number of students in attendance at the school as of October 1.
- 40 d. All attendance records of students receiving scholarship grants from
- 41 the previous school year.
- 42 e. Documentation of a completed fire inspection in the previous 365
- 43 days.

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- 1           (9)    For any child with a disability who is a recipient of scholarship funds, educate  
2                    that child in accordance with his or her Individualized Education Program  
3                    (IEP) and in compliance with IDEA, as defined in G.S. 115C-106.3(6), and  
4                    applicable policies adopted by the State Board of Education for local school  
5                    administrative units under Article 9 of Chapter 115C of the General Statutes.  
6           (10)  Comply with the requirements of Article 8C of this Chapter, including the  
7                    following:  
8                a.    School Risk Management Plan. – The nonpublic school, in  
9                    coordination with local law enforcement agencies, shall adopt a  
10                  School Risk Management Plan (SRMP) relating to incidents of school  
11                  violence. In constructing and maintaining these plans, the nonpublic  
12                  school shall utilize the School Risk and Response Management  
13                  System established pursuant to G.S. 115C-105.49A. These plans are  
14                  not considered a public record as the term "public record" is defined  
15                  under G.S. 132-1 and shall not be subject to inspection and  
16                  examination under G.S. 132-6.  
17                b.    Schematic diagrams and school crisis kits. – The nonpublic school  
18                  shall provide schematic diagrams and keys to the main entrance of  
19                  school facilities to local law enforcement agencies, in addition to  
20                  implementing the provisions in G.S. 115C-105.52.  
21                c.    School safety exercises. – At least once a year, the nonpublic school  
22                  shall hold a full school-wide lockdown exercise with local law  
23                  enforcement and emergency management agencies that are part of the  
24                  school's SRMP.  
25                d.    Safety information provided to the Department of Public Safety,  
26                  Division of Emergency Management. – The nonpublic school shall  
27                  provide the following: (i) schematic diagrams, including digital  
28                  schematic diagrams, and (ii) emergency response information  
29                  requested by the Division for the SRMP. The schematic diagrams and  
30                  emergency response information are not considered public records as  
31                  the term "public record" is defined under G.S. 132-1 and shall not be  
32                  subject to inspection and examination under G.S. 132-6.  
33           (b)    A nonpublic school that accepts students receiving scholarship grants shall not require  
34           any additional fees based on the status of the student as a scholarship grant recipient.  
35           (c)    A nonpublic school enrolling more than 25 students in any grade whose tuition and  
36           fees are paid in whole or in part with a scholarship grant shall provide and retain information on  
37           student test performance in each grade with more than 25 students, as follows:  
38           (1)    Report to the Authority on the aggregate standardized test performance of  
39           eligible students in grades ~~three, eight, and 11-three~~ three, eight, and 11-three and higher pursuant to  
40           subdivision (4) of subsection (a) of this section. Aggregate test performance  
41           data reported to the Authority which does not contain personally identifiable  
42           student data shall be a public record under Chapter 132 of the General  
43           ~~Statutes.~~ Statutes, and the Authority shall post this data on its website. Test

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1 performance data may be shared with public or private institutions of higher  
2 education located in North Carolina and shall be provided to an independent  
3 research organization selected by the Authority for research purposes as  
4 permitted by the Federal Education Rights and Privacy Act, 20 U.S.C. §  
5 1232g.

6 (2) Retain standardized test performance data for eligible students in all other  
7 grades and annually certify to the Authority compliance with the requirements  
8 of subdivision (4) of subsection (a) of this section.

9 (c1) A nonpublic school shall not discriminate with respect to the categories listed in 42  
10 U.S.C. § 2000d, as that statute read on January 1, ~~2014~~2014, or on the basis of disability, as  
11 defined in the Americans with Disabilities Act, 42 U.S.C. § 12102, as that statute read on January  
12 1, 2024.

13 ...

14 (e) If a nonpublic school terminates operation during the school's regular schedule and  
15 fails to (i) report the date of the closure to the Division within 14 days and (ii) return funds owed  
16 to the Authority in a timely manner for students who received scholarship grants, any other  
17 nonpublic school opened during that school year or subsequent school years by an owner or chief  
18 administrator listed in the report submitted to the Division under ~~subdivision (7)~~subdivision (8)  
19 of subsection (a) of this section for that closed school shall be ineligible to receive scholarship  
20 grants until such time the Authority determines the obligation to return those funds has been  
21 satisfied."

22 **SECTION 3.(d)** G.S. 115C-562.7, as amended by Sections 7.82 and 8A.6 of S.L.  
23 2023-134, reads as rewritten:

24 "**§ 115C-562.7. Reporting requirements.**

25 ...

26 (b) The Authority shall report annually, no later than October 15, to the Joint Legislative  
27 Education Oversight Committee on the following information from the prior school year:

28 (1) Total number, grade level, race, ethnicity, and sex of eligible students  
29 receiving scholarship grants.

30 (2) Total amount of scholarship grant funding awarded.

31 ...

32 (4) Nonpublic schools in which scholarship grant recipients are enrolled,  
33 including numbers of scholarship grant students at each nonpublic school.

34 (5) Nonpublic schools deemed ineligible to receive scholarships.

35 (6) Compliance with the academic assessments required by  
36 G.S. 115C-562.5(a)(4).

37 ...

38 (g) No later than September 30 of each year, the Authority, in consultation with the  
39 Department of Public Instruction, shall publish on its website school achievement, growth, and  
40 performance scores of nonpublic schools accepting more than 25 students in any grade whose  
41 tuition and fees are paid in whole or in part with a scholarship grant. The scores shall be calculated  
42 pursuant to the methodology provided in G.S. 115C-83.15."

43

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1 **PART IV. ADDITIONAL ACCOUNTABILITY MEASURES FOR THE PERSONAL**  
2 **EDUCATION STUDENT ACCOUNTS FOR CHILDREN WITH DISABILITIES**  
3 **PROGRAM**

4 **SECTION 4.(a)** Article 41 of Chapter 115C of the General Statutes is amended by  
5 adding the following new section to read:

6 "**§ 115C-593.5. Academic assessments.**

7 (a) A nonpublic school that accepts eligible students receiving scholarship funds shall  
8 administer, at least once in each school year, all tests required by the State Board of Education  
9 pursuant to G.S. 115C-174.11(c) for students in grades three through 12 in a local school  
10 administrative unit.

11 (b) Test performance data for students shall be submitted to the Authority by July 15 of  
12 each year. The nonpublic school shall retain this data for five years, and the Authority may audit  
13 the nonpublic school to ensure compliance with the retention requirement. Test performance data  
14 reported to the Authority or collected by the Authority under this subdivision is not a public  
15 record under Chapter 132 of the General Statutes, to the extent the data contains personally  
16 identifiable information.

17 (c) Tests shall be administered to all eligible students enrolled in grades three and higher  
18 whose tuition and fees are paid in whole or in part with scholarship funds.

19 (d) The Authority shall provide the parent or guardian of an eligible student, whose  
20 tuition and fees are paid in whole or in part with scholarship funds, an annual written explanation  
21 of the student's progress, including the student's scores on standardized achievement tests. If an  
22 eligible student received a written assessment pursuant to G.S. 115C-562.5(a)(3) for a school  
23 year, the written assessment may be used to meet the requirements of this subsection.

24 (d) Nothing in this subdivision shall prohibit a nonpublic school from administering  
25 additional tests to its students."

26 **SECTION 4.(b)** G.S. 115C-598 reads as rewritten:

27 "**§ 115C-598. Reporting requirements.**

28 (a) The Authority shall report annually, no later than October 15, to the Joint Legislative  
29 Education Oversight Committee on the following information from the prior school year:

30 ...

31 (6) Compliance with the academic assessments required by G.S. 115C-593.5.  
32 ....";

33  
34 and on page 3, lines 8-9, by rewriting the lines to read:

35  
36 "**PART V. EFFECTIVE DATE**

37 **SECTION 5.** This act becomes effective July 1, 2024. Sections 3 and 4 of this act  
38 apply beginning with the 2024-2025 school year."  
39

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SIGNED  \_\_\_\_\_  
Amendment Sponsor

SIGNED \_\_\_\_\_  
Committee Chair if Senate Committee Amendment

ADOPTED \_\_\_\_\_ FAILED \_\_\_\_\_ TABLED \_\_\_\_\_