

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 816
Apr 7, 2025
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10363-MT-109

Short Title: Voucher School Transparency Act.

(Public)

Sponsors: Representative Rubin.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO INCREASE ACCOUNTABILITY AND REPORTING STANDARDS FOR
NONPUBLIC SCHOOLS RECEIVING OPPORTUNITY SCHOLARSHIP FUNDS AND
TO REQUIRE THE STATE AUDITOR TO ANNUALLY REVIEW AUDITS OF AT
LEAST THREE NONPUBLIC SCHOOLS RECEIVING OPPORTUNITY
SCHOLARSHIP FUNDS.

The General Assembly of North Carolina enacts:

**PART I. ACCOUNTABILITY AND REPORTING FOR OPPORTUNITY
SCHOLARSHIP SCHOOLS**

SECTION 1.(a) G.S. 115C-562.5 reads as rewritten:

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

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

- (1) ~~Provide~~ Annually provide to the Authority documentation for required tuition
and fees charged to the student by the nonpublic school.
- (2) Provide to the Authority a criminal background check conducted for the staff
member with the highest decision-making authority, as defined by the bylaws,
articles of incorporation, or other governing document. For all teachers, the
nonpublic school shall adopt a policy requiring criminal history checks under
G.S. 115C-332. Each nonpublic school shall apply its policy uniformly in
requiring applicants for employment to be checked for a criminal history
before the applicant is given an unconditional job offer. A nonpublic school
may employ an applicant conditionally while the board is checking the
person's criminal history and making a decision based on the results of the
check. The nonpublic school may adopt a policy providing for periodic checks
of criminal history of teachers. A nonpublic school shall indicate, upon the
inquiry by any other public school unit or nonpublic school in the State, as to
the reason for an employee's resignation or dismissal, if an employee's
criminal history was relevant to the employee's resignation or dismissal.
Information provided to the Authority in accordance with this subdivision is
otherwise privileged information and is not a public record but is for the
exclusive use of the Authority.
- (3) Provide to the parent or guardian of an eligible student, whose tuition and fees
are paid in whole or in part with a scholarship grant, an annual written



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- 1 explanation of the student's progress, including the student's scores on
2 standardized achievement tests.
- 3 (4) Administer, at least once in each school year, tests as provided in this
4 subdivision. Test performance data shall be submitted to the Authority by July
5 15 of each year. Test performance data reported to the Authority under this
6 subdivision is not a public record under Chapter 132 of the General Statutes.
7 Tests shall be administered to all eligible students enrolled in grades three and
8 higher whose tuition and fees are paid in whole or in part with a scholarship
9 grant as follows:
- 10 a. The nationally standardized test designated by the Authority in grades
11 three ~~and through~~ eight.
- 12 b. The ACT in grade 11.
- 13 c. A nationally standardized test or other nationally standardized
14 equivalent measurement selected by the chief administrative officer of
15 the nonpublic school in all other grades four and higher. For grades
16 four through seven, the nationally standardized test or other equivalent
17 measurement selected must measure achievement in the areas of
18 English grammar, reading, spelling, and mathematics. For grades nine,
19 10, and 12, the nationally standardized test or other equivalent
20 measurement selected must measure either (i) achievement in the areas
21 of English grammar, reading, spelling, and mathematics or (ii)
22 competencies in the verbal and quantitative areas.
- 23 (5) Provide to the Authority graduation rates of the students receiving scholarship
24 ~~grants—grants, including four-year cohort graduation rates, in a manner~~
25 ~~consistent with nationally recognized standards.~~ Title I of the Elementary and
26 Secondary Education Act of 1965, as amended, and any associated federal
27 regulations.
- 28 (6) Contract with a certified public accountant to perform ~~a financial review, an~~
29 audit, consistent with generally accepted methods of accounting or any other
30 comprehensive basis of accounting recognized by the American Institute of
31 Certified Public Accountants (AICPA) for each school year in which the
32 school ~~enrolls 70 or more students receiving scholarship grants or scholarship~~
33 ~~funds awarded by the Authority.~~ accepts students receiving one hundred
34 thousand dollars (\$100,000) or more in scholarship grants awarded under this
35 Part. If a school accepts students receiving less than one hundred thousand
36 dollars (\$100,000), it shall contract pursuant to this subdivision for an audit
37 every three years. A nonpublic school shall report the results of an audit
38 conducted under this subdivision to the Authority and the State Auditor by
39 December 31 of the year in which the audit is conducted.
- 40 (7) Maintain a school facility within the State where in-person instruction is
41 provided. This subdivision does not prohibit a school from offering
42 remote-only courses of instruction in addition to in-person instruction.
- 43 (8) Provide the following information annually to the Division:
- 44 a. Name and address of the school, including physical location address.
45 A school with more than one physical location shall establish a
46 separate notice of intent for each physical location and shall provide
47 all information required by this subdivision for each physical location.
- 48 b. The name of the owners and chief administrator.
- 49 c. Number of students in attendance at the school as of October 1.
- 50 d. All attendance records of students receiving scholarship grants from
51 the previous school year.

- 1 e. The percentage of teachers with a teacher license.
2 f. Whether the nonpublic school is accredited and, if so, the identity of
3 that accreditor.
4 g. Documentation of a competed fire inspection in the previous 365 days.
5 h. Curriculum used by the nonpublic school for each grade level.
6 i. The number of students receiving scholarship grants for the first time
7 who attended a public school unit in the previous school year.
8 j. The number of students receiving scholarship grants who attended a
9 public school unit in the previous school year.
10 (9) To the extent permitted by federal law and to the extent this information can
11 be provided without permitting the personally identifiable information of a
12 student to be revealed, report to the Authority on the following information:
13 a. The number of children enrolled at the school who are recipients of
14 scholarship funds and who have a disability and an Individualized
15 Education Plan (IEP).
16 b. If there are any children enrolled at the school who are recipients of
17 scholarship funds and who have a disability and an IEP, whether the
18 nonpublic school is educating each child in compliance with his or her
19 IDEA, as defined in G.S. 115C-106.3(6), and applicable policies
20 adopted by the State Board of Education for local school
21 administrative units under Article 9 of Chapter 115C of the General
22 Statutes.
23 (10) Comply with the requirements of Article 8C of this Chapter, including the
24 following:
25 a. School Risk Management Plan. – The nonpublic school, in
26 coordination with local law enforcement agencies, shall adopt a
27 School Risk Management Plan (SRMP) relating to incidents of school
28 violence. In constructing and maintaining these plans, the nonpublic
29 school shall utilize the School Risk and Response Management
30 System established pursuant to G.S. 115C-105.49A. These plans are
31 not considered a public record as the term "public record" is defined
32 under G.S. 132-1 and shall not be subject to inspection and
33 examination under G.S. 132-6.
34 b. Schematic diagrams and school crisis kits. – The nonpublic school
35 shall provide schematic diagrams and keys to the main entrance of
36 school facilities to local law enforcement agencies, in addition to
37 implementing the provisions in G.S. 115C-105.52.
38 c. School safety exercises. – At least once a year, the nonpublic school
39 shall hold a full school-wide lockdown exercise with local law
40 enforcement and emergency management agencies that are part of the
41 school's SRMP.
42 d. Safety information provided to the Department of Public Safety,
43 Division of Emergency Management. – The nonpublic school shall
44 provide the following: (i) schematic diagrams, including digital
45 schematic diagrams, and (ii) emergency response information
46 requested by the Division for the SRMP. The schematic diagrams and
47 emergency response information are not considered public records as
48 the term "public record" is defined under G.S. 132-1 and shall not be
49 subject to inspection and examination under G.S. 132-6.
50 (b) A nonpublic school that accepts students receiving scholarship grants shall not require
51 any additional fees based on the status of the student as a scholarship grant recipient.

(c) A nonpublic school enrolling more than 25 students in any grade whose tuition and fees are paid in whole or in part with a scholarship grant shall provide and retain information on student test performance in each grade with more than 25 students, as follows:

- (1) Report to the Authority on the aggregate standardized test performance of eligible students in grades ~~three, eight, three through eight~~ and 11. Aggregate test performance data reported to the Authority which does not contain personally identifiable student data shall be a public record under Chapter 132 of the General Statutes. Test performance data may be shared with public or private institutions of higher education located in North Carolina and shall be provided to an independent research organization selected by the Authority for research purposes as permitted by the Federal Education Rights and Privacy Act, 20 U.S.C. § 1232g.
- (2) Retain standardized test performance data for eligible students in all other grades and annually certify to the Authority compliance with the requirements of subdivision (4) of subsection (a) of this section.

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SECTION 1.(b) Section 3J.23 of S.L. 2024-57 reads as rewritten:

"...

"SECTION 3J.23.(b) The Office of Learning Research at The University of North Carolina, as established by Section 2A.8 of this act, shall study and report the following to the Joint Legislative Education Oversight Committee by December 31, 2025:

- (1) For the purpose of comparing student performance, recommendations for nationally standardized tests for use in third grade ~~and through~~ eighth grade that would be appropriate for administering to (i) students in nonpublic schools who are receiving Opportunity Scholarships beginning with the 2026-2027 school year and (ii) students attending schools in public school units. To the extent practicable, the Office of Learning Research shall recommend only one test for use in third grade and one test for use in eighth grade.
- (2) Alignment between the nationally standardized tests selected pursuant to subdivision (1) of this subsection and the standard course of study for third grade ~~and through~~ eighth grade, respectively, including a crosswalk between the standards assessed by the nationally standardized tests and the standard course of study.
- (3) Feasibility of developing a through-grade assessment for third ~~and through~~ eighth grade that would meet the following criteria:
 - a. Assess mastery of the standard course of study.
 - b. Consist of multiple testing events throughout the year that are aggregated into a summative score.
 - c. Replace the current end-of-grade assessments for third and eighth grade.
 - d. Yield data that can be used with the Education Value-Added Assessment System (EVAAS).
 - e. Comply with federal law.

"SECTION 3J.23.(c) The State Education Assistance Authority shall designate as the nationally standardized assessments to be administered by nonpublic schools, in accordance with G.S. 115C-562.5(a)(4), the tests recommended by the Office of Learning Research at The University of North Carolina for use in third grade ~~and through~~ eighth grade in accordance with subsection (b) of this section.

...."

1 **SECTION 1.(c)** Notwithstanding G.S. 115C-562.5(a)(1), for the report required
2 pursuant to G.S. 115C-562.5(a)(1) for the 2025-2026 school year, the nonpublic school shall also
3 provide documentation for required tuition and fees charged to students receiving scholarship
4 grant funds under Part 2A of Article 39 of Chapter 115C of the General Statutes by the nonpublic
5 school for the 2023-2024 and 2024-2025 school years.

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7 **PART II. REQUIRE THE STATE AUDITOR TO ANNUALLY REVIEW AUDITS OF**
8 **AT LEAST THREE OPPORTUNITY SCHOLARSHIP SCHOOLS**

9 **SECTION 2.** G.S. 147-64.6(c) reads as rewritten:

10 "(c) Responsibilities. – The Auditor is responsible for the following acts and activities:

11 ...

12 (24) The Auditor shall review every year at least three completed audits of
13 nonpublic schools that are reported to the Auditor pursuant to
14 G.S. 115C-562.5(a)(6). The Auditor shall report to the Joint Legislative
15 Education Oversight Committee no later than March 15 of each year on the
16 results of this review, including the uses of taxpayer funds by the nonpublic
17 schools and academic outcomes of students receiving scholarship grants under
18 Part 2A of Article 39 of Chapter 115C of the General Statutes."

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20 **PART III. EFFECTIVE DATE**

21 **SECTION 3.** Except as otherwise provided, this act is effective when it becomes
22 law.