



PUBLIC SCHOOLS OF NORTH CAROLINA

STATE BOARD OF EDUCATION | Eric C. Davis, Chairman

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June 4, 2026

The Honorable Hugh Blackwell
The Honorable Tricia Cotham
The Honorable Brad Overcash
North Carolina General Assembly
Joint Legislative Education Oversight Committee
16 West Jones Street
Raleigh, NC 27601

VIA ELECTRONIC DELIVERY ONLY

Re: **Opportunity Scholarship Financial Impact**

Dear Legislative Leaders:

On behalf of my colleagues on the North Carolina State Board of Education, I write to respectfully request the appropriation of the \$35.75 million identified in the Department of Public Instruction's 2025–2026 Opportunity Scholarship Report as available for reinvestment in North Carolina's public schools.

Section 7.82(c) of Session Law 2023-134 expresses the General Assembly's intent that when the scholarship award provided to a student who previously attended a public school is less than the State's average per-pupil allocation, the resulting difference should be reinvested in public education. The Department's analysis estimates a cumulative reinvestment amount of \$35,751,409 for fiscal years 2025-26 and 2026-27.

The State Board recognizes that North Carolina families pursue a variety of educational options, and we respect the choices available to parents. At the same time, North Carolina's public schools continue to educate the vast majority of our state's children and remain the cornerstone of educational opportunity in every community across the state.

The identified reinvestment amount represents an opportunity to strengthen the educational services, supports, and opportunities available to students attending public schools. Appropriating these funds would fulfill the General Assembly's stated intent by directing the identified monies back to the public-school students and communities they were intended to support.

As the constitutional body charged with guarding and maintaining the right to a sound basic education, the State Board believes that reinvesting these funds would advance our shared commitment to educational excellence and student success. These resources could help school districts address ongoing needs related to student achievement, educator support, school operations, and academic opportunity.

NORTH CAROLINA STATE BOARD OF EDUCATION

Eric C. Davis, *Chairman* | eric.davis@dpi.nc.gov

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We respectfully and formally request that the General Assembly appropriate the full \$35.75 million identified in the report to a public school reinvestment fund, consistent with the legislative intent established in Section 7.82 of Session Law 2023-134.

Thank you for your continued commitment to North Carolina's students, educators, and families. We look forward to working with you to ensure that every child has access to the opportunities necessary for success.

Sincerely,

Eric C. Davis, Chair
North Carolina State Board of Education

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NORTH CAROLINA
State Board of Education
Department of Public Instruction

Report to the North Carolina General Assembly

Opportunity Scholarships
§ *G.S. 115C-562.7(f)*

Date Due: 6/15/2026
DPI Chronological Schedule, 2025-2026
STATE BOARD OF EDUCATION

STATE BOARD OF EDUCATION VISION

Every public school student in North Carolina will be empowered to accept academic challenges, prepared to pursue their chosen path after graduating high school, and encouraged to become lifelong learners with the capacity to engage in a globally-collaborative society.

STATE BOARD OF EDUCATION MISSION

The mission of the North Carolina State Board of Education is to use its constitutional authority to guard and maintain the right of a sound, basic education for every child in North Carolina Public Schools.

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Linville – Northwest Region

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approval for publication. For the current list of State Board Members, Vision and Mission Statements, go to www.dpi.nc.gov/about-dpi/state-board-education.

NC DEPARTMENT OF PUBLIC INSTRUCTION

Maurice "Mo" Green, State Superintendent / 301 N. Wilmington Street, Raleigh, North Carolina 27601

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Inquiries or complaints regarding discrimination issues should be directed to:

Thomas Tomberlin, Senior Director, Educator Preparation, Licensure, and Performance, NCDPI
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EXECUTIVE SUMMARY

Pursuant to G.S. §115C-562.7(f), the North Carolina Department of Public Instruction (DPI) reports the estimated cumulative difference between Opportunity Scholarship awards provided to students who previously attended North Carolina public schools and the average State per-pupil allocation. For the 2025–2026 report, prior public-attendees are defined as any student receiving an opportunity scholarship beginning in the 2024–2025 school year who were enrolled in any public school for the majority of either the first or second month of the school year prior to receiving the scholarship. This includes students who first received the scholarship in:

- 2024–2025 Fall
- 2024–2025 Spring
- 2025–2026 Fall

There was a total of 106,704 Opportunity Scholarship recipients in the 2025–2026 school year. Of which, 80,879 students were a part of the 2024–2025 Fall, 2024–2025 Spring, and 2025–2026 Fall cohorts. Within these cohorts, 12,252 students were identified as prior public-school attendees. This equates to 11.5 percent of all 106,704 recipients. In addition, there were 1,554 students in 2025–2026 Spring cohort of which 636 were found in public school enrollment in the fall of 2025–2026. These 636 students were excluded from the analysis.

For the included students, total scholarship funding disbursed was \$71,647,128 compared to an estimated \$97,305,874 in equivalent State per-pupil funding, resulting in an estimated difference of \$25,658,746. Due to the structure of public-school funding, which is based on the prior year's Average Daily Membership (ADM), this figure represents a modeled estimate under simplified timing assumptions and does not reflect a direct dollar difference in FY 2025–2026. Consistent with Section 7.82(c) of S.L. 2023-134, the estimated amount available for reinvestment is \$10,092,663 for FY 2025–2026 and \$25,658,746 for FY 2026–2027, for a total cumulative amount of \$35,751,409.

I. INTRODUCTION

Pursuant to G.S. §115C-562.7(f), the North Carolina Department of Public Instruction (DPI) reports the cumulative difference between the Opportunity Scholarship grant amount awarded to students who previously attended North Carolina public schools and the average State per-pupil initial allotment for students enrolled in public school units. For the 2025–2026 report, prior public-attendees are defined as any student receiving an opportunity scholarship beginning in the 2024–2025 school year who were enrolled in any public school for the majority of either the first or second month of the school year prior to receiving the scholarship. This report provides estimates for the 2025–2026 school year based on the best available administrative data.

II. METHODOLOGY AND POPULATION DESCRIPTIVES

In March 2026, the North Carolina State Education Assistance Authority (NCSEAA) provided DPI with a student-level dataset of Opportunity Scholarship recipients for the 2025–2026 school year, including scholarship award amounts, enrollment timing, demographic characteristics, and limited identifiers. Because NCSEAA does not require use of the North Carolina Unique Identifier (UID), DPI applied probabilistic matching methods with a high level of confidence using student name, date of birth, address, county of residence, and available UIDs to verify enrollment for the 2025–2026 Fall

cohort through the Operational Data Store (ODS). DPI's ongoing collaboration with NCSEAA will continue to provide stronger sustained results over time.

Using these methods, 7,833 of the recipients in the 2025–2026 Fall cohort were found to be enrolled in the fall of 2025–2026 and identified as prior public-school attendees. In addition, 4,049 of the public-school enrollees identified in the 2024–2025 Fall cohort and 370 in the 2024–2025 Spring cohort continued participation from prior school year. The primary analysis includes 12,252 students who were enrolled in a North Carolina public school during the first or second month of the 2024–2025 school year and received an Opportunity Scholarship in Fall 2025–2026 or continued participation from the prior year. A total of 636 spring-only recipients were excluded because they remained enrolled in public schools during the funding count period; accordingly, their fiscal impact will occur in the subsequent fiscal year, 2026-2027.

Table 1: Student Count by Reporting Year

Scholarship Year	Reporting Year 1 (2024-2025)	Reporting Year 2 (2025-2026)	Reporting Year 3 (2026-2027)
2024-25 Fall	5,955	4,049	
2024-25 Spring		370	
2025-26 Fall		7,833	
2025-26 Spring			636
Total	5,955	12,252	

As shown above, students included in the 2025–2026 analysis may be in either Reporting Year One or Reporting Year Two of scholarship participation but are combined for purposes of the required calculation.

III. SCHOLARSHIP AND FUNDING PARAMETERS

Under G.S. §115C-562.2(b2), scholarship awards are determined as a percentage of the prior-year average State per-pupil allocation. For the 2025–2026 school year, the average State per-pupil allocation is \$7,942.04. Award amounts vary by income tier and are capped by tuition, and for purposes of this report, the scholarship grant award amount reflects the actual amount disbursed. The comparison amount is calculated using the statewide average State per-pupil allocation, as required by statute, and does not reflect variation in student-level funding or district-level adjustments.

Table 2: Award Amounts by Tier

Tier	USDA guidelines family of four	Family income as a % of federal free or reduced-price lunch income amount	% of average State per-pupil allocation	FY 2025-26 Tier Amount
1	<= \$59,478	100%	100%	\$7,686
2	\$59,478-\$118,955	100% to 200%	90%	\$6,918
3	\$118,955-\$267,651	200% to 450%	60%	\$4,612
4	>=267,651	above 450%	45%	\$3,458

IV. TIMING CONSIDERATIONS

Public school funding is based on Average Daily Membership (ADM) and is allocated based on the previous school year's membership; therefore, in the year a student first receives an Opportunity Scholarship, the public school unit continues to receive funding based on prior-year ADM, and the reduction in funding occurs in the subsequent fiscal year. To comply with statutory reporting requirements, this analysis applies a simplifying assumption that the fiscal impact occurs in the same year the scholarship is awarded; accordingly, the results presented represent estimated funding differences and do not reflect realized dollar differences in the current fiscal year.

V. RESULTS

Of the 106,704 Opportunity Scholarship recipients, 12,252 were identified as prior public-school attendees included in the analysis. For these students, total scholarship funding disbursed was \$71,647,128 while the equivalent State per-pupil funding is estimated at \$97,305,874 resulting in an estimated difference of \$25,658,746. This amount represents the difference between the State's average per-pupil initial allotment and the scholarship funding provided for these students and should be interpreted as an estimate based on simplified timing assumptions rather than realized dollar difference in FY 2025–2026. A total of 636 students received scholarships only in the spring term and are excluded from the current analysis; their fiscal impact will be reflected in the 2026–2027 report, contingent on continued participation. Table 3 presents the calculation of the estimated difference between scholarship awards and the State per-pupil allocation for students included in the primary analysis

Table 3. Difference Between Scholarship Grant Award and Average State Per-Pupil Allocation for Opportunity Scholarship Recipients Enrolled in NC Public Schools

Reporting Year	Number of Students	Total Scholarship \$ Awarded	Average State Per-pupil Allocation	Difference between Scholarship and State PPE
2024-2025	5,955	\$34,374,870	\$44,467,533	\$10,092,663
2025-2026	12,252	\$71,647,128	\$97,305,874	\$25,658,746
Total				\$35,751,409

VI. REINVESTMENT CALCULATION

Section 7.82(c) of S.L. 2023-134 states the General Assembly's intent to reinvest savings when scholarship awards for prior public-school students are less than 100 percent of the average State per-pupil allocation. The calculated amount for FY 2025–2026 is \$10,092,663, and the estimated amount for FY 2026–2027 is \$25,658,746, for a total cumulative amount of \$35,751,409. No funds were transferred to public schools in FY 2025–2026 under this provision.

VII. CONCLUSION

Approximately 11.5 percent of Opportunity Scholarship recipients were identified as prior public-school attendees who first received the opportunity scholarship in the 2024–2025 and 2025–2026 school years, and while the program reflects lower average scholarship expenditures relative to the State per-pupil allocation, the resulting difference represents a modeled estimate rather than an immediate fiscal impact and should be interpreted within the context of data limitations, timing assumptions, and statutory requirements.