

§ 115C-562.8. The Opportunity Scholarship Grant Fund Reserve.

(a) The Opportunity Scholarship Grant Fund Reserve is established as a reserve to be administered by the Board of Governors of The University of North Carolina for the purpose of allocating funds to the Authority for the award of scholarship grants in accordance with this Part. The Reserve shall consist of monies appropriated from the General Fund to the Reserve by the General Assembly and any interest accrued to it thereon. These funds shall be used to award scholarship grants to eligible students for the school year that begins in the fiscal year following the fiscal year in which the appropriation is made to the Reserve. The Board of Governors shall only use monies in the Reserve in accordance with the purposes set forth in this section. Funds appropriated in a particular fiscal year to be used for the award of scholarships in the following fiscal year that are unexpended at the end of the fiscal year after the fiscal year in which the funds were appropriated shall be first used for the purpose set forth in subdivision (1) of subsection (d) of this section, if applicable. After funds are used for this purpose, any unexpended funds from the funds appropriated in a particular fiscal year to be used for the award of scholarships in the following fiscal year shall be carried forward for one fiscal year and may be used for the purposes set forth in this section. Funds carried forward pursuant to this section that have not been spent within one fiscal year shall revert to the General Fund.

(b) The General Assembly finds that, due to the critical need in this State to provide opportunity for school choice for North Carolina students, it is imperative that the State provide an increase of funds for 15 years to the Opportunity Scholarship Grant Fund Reserve. Therefore, there is appropriated from the General Fund to the Reserve the following amounts for each fiscal year to be used for the purposes set forth in this section:

| Fiscal Year | Appropriation |
|--------------------|----------------------|
| 2017-2018 | \$44,840,000 |
| 2018-2019 | \$54,840,000 |
| 2019-2020 | \$64,840,000 |
| 2020-2021 | \$74,840,000 |
| 2021-2022 | \$84,840,000 |
| 2022-2023 | \$94,840,000 |
| 2023-2024 | \$176,540,000 |
| 2024-2025 | \$191,540,000 |
| 2025-2026 | \$625,000,000 |
| 2026-2027 | \$675,000,000 |
| 2027-2028 | \$700,000,000 |
| 2028-2029 | \$725,000,000 |
| 2029-2030 | \$750,000,000 |
| 2030-2031 | \$775,000,000 |
| 2031-2032 | \$800,000,000 |

For the 2032-2033 fiscal year and each fiscal year thereafter, there is appropriated from the General Fund to the Reserve the sum of eight hundred twenty-five million dollars (\$825,000,000) to be used for the purposes set forth in this section. When developing the base budget, as defined by G.S. 143C-1-1, for each fiscal year specified in this subsection, the Director of the Budget shall include the appropriated amount specified in this subsection for that fiscal year.

(c) Of the funds allocated to the Authority to award scholarship grants under this Part, the Authority may retain up to two and one-half percent (2.5%) of the funds appropriated each fiscal year for administrative costs associated with the scholarship grant program. If the actual costs of administering the scholarship grant program are less than the funds authorized for administering the program pursuant to this subsection, the Authority may allocate unused funds for the additional administrative costs of the Personal Education Student Accounts for Children with Disabilities Program in accordance with G.S. 115C-597(d).

(d) Any unexpended funds at the end of a fiscal year from the funds appropriated in a particular fiscal year to be used for the award of scholarships in the following fiscal year shall be used as follows:

- (1) Up to one million dollars (\$1,000,000) may be used by the Authority to contract with one or more nonprofit corporations representing parents and families for outreach and scholarship education and application assistance for parents and students pursuant to Part 4A of this Article.
- (2) Any remaining funds shall be carried forward for one fiscal year pursuant to subsection (a) of this section.

(e) The Authority shall make reasonable efforts to ensure the amount of scholarship grants awarded for a school year do not exceed the funds that are available for the awards to eligible students in each fiscal year. However, notwithstanding subsection (a) of this section, to ensure that as many eligible students receive scholarship grants in a timely manner as possible, the Authority may use up to thirty percent (30%) of the unencumbered cash balance in the Reserve in a fiscal year if the funds required to award scholarship grants to eligible students for a school year exceed the funds available for the distribution of those awards. If the Authority expends funds in excess of those available in the Reserve for a particular school year, the Authority shall submit the report required by G.S. 115C-562.7(b1). (2016-94, s. 11A.3(f), (g); 2017-57, s. 6.6(b), (g); 2021-180, s. 8A.3(g), (i), (j); 2022-74, s. 8A.1(a); 2023-134, s. 8A.6(g); 2024-40, s. 4(a); 2024-55, s. 6.4(c).)