

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 781

Short Title: Children First/Educ. Opportunity.

(Public)

Sponsors: Representatives Linney; Arnold, Baker, Barbee, Berry, Buchanan, Cansler, Capps, Clary, Cocklereece, Culp, Daughtry, Davis, Decker, Dickson, Dockham, Gardner, Hayes, Ives, Justus, Lemmond, McMahan, Miner, Pate, Pulley, Rayfield, Reynolds, Russell, Sexton, Tallent, Watson, Weatherly, C. Wilson, and G. Wilson.

Referred to: Appropriations Subcommittee on Education.

April 6, 1995

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE EDUCATIONAL OPPORTUNITY BY AUTHORIZING THE
3 FUNDING OF K-12 LEGISLATIVE TUITION GRANTS TO PARENTS OF
4 SCHOOL-AGED CHILDREN IN NORTH CAROLINA.

5 The General Assembly of North Carolina enacts:

6 Section 1. Chapter 115C of the General Statutes is amended by adding a new
7 Part to read:

8 **"PART 4. LEGISLATIVE TUITION GRANTS**
9 **FOR CHILDREN ENROLLED IN NONPUBLIC SCHOOLS.**

10 **"§ 115C-567.1. Intent.**

11 (a) It is the intent of the General Assembly to provide a tax expenditure neutral
12 guarantee of educational opportunity for the children of North Carolina as a method to:

13 (1) Encourage improvement in public schools and provide financial
14 assistance to families that would like to send their children to nonpublic
15 schools, so that every child has an expanded opportunity to be taught in
16 the setting and manner that best help that child learn.

1 (2) Replace the system of ensuring school accountability by the
2 bureaucratic regulation of a monopoly with a system that relies on
3 competition, performance measures, and disclosure of test scores, so
4 that student success, not school sameness, becomes the focus of
5 educational efforts.

6 **"§ 115C-567.2. Establishment of Legislative Tuition Grants.**

7 There is established under the Board of Governors of The University of North
8 Carolina the Legislative Tuition Grant Program. The State Education Assistance
9 Authority shall administer the Program. The purpose of the Program is to provide
10 financial assistance to the families of any children legally residing in and attending
11 school in the State of North Carolina who are eligible to receive a free public education in
12 the State of North Carolina. Children eligible to receive a free public education in the
13 State of North Carolina may attend any school participating in this Program and have
14 their educational expenses paid in full or in part, with a Legislative Tuition Grant. For
15 children attending nonpublic schools, educational expenses may include expenses such as
16 tuition, transportation, books, and supplies.

17 **"§ 115C-567.3. Schools eligible to receive K-12 Legislative Tuition Grants.**

18 (a) All lawfully operating nonpublic schools in North Carolina, except home
19 schools as defined in G.S. 115C-563(a), that satisfy the regulatory requirements that
20 applied to them as of January 1, 1994, and that conform to the requirements set forth in
21 this section, are eligible to redeem K-12 Legislative Tuition Grants. Participation in the
22 Legislative Tuition Grant Program by the schools is voluntary.

23 (b) Any private school that is eligible to participate in the Program and that elects
24 to participate in the Program shall disclose to parents interested in enrolling a child at that
25 school the national percentile rank of the aggregate standardized test scores taken by that
26 schools' students. If the school gives the North Carolina end-of-course and end-of-grade
27 tests, those aggregate scores shall be disclosed to prospective parents upon request.

28 (c) Schools participating in the Program shall not discriminate on the basis of race,
29 ethnicity, or national origin.

30 (d) Upon proof of violation of the provisions of this section by a school
31 participating under this Part, and after notice and opportunity to defend, the State
32 Education Assistance Authority may disqualify a nonpublic school from eligibility to
33 redeem Legislative Tuition Grants.

34 **"§ 115C-567.4. Legislative Tuition Grant application process.**

35 (a) Each superintendent of a local school administrative unit shall, by July 1
36 preceding the school year for which the tuition grant shall apply, send a Legislative
37 Tuition Grant certificate to the parent or guardian of any eligible student enrolled in that
38 local school administrative unit and shall make available a Legislative Tuition Grant
39 certificate to the parent or guardian of any eligible student living in that local school
40 administrative unit who is not enrolled in that local school administrative unit.

41 (b) Parents or guardians who elect to participate in the Program shall present their
42 child's Legislative Tuition Grant certificate to the nonpublic school they choose for their
43 child by September 15.

1 **"§ 115C-567.5. Legislative Tuition Grant certificate redemption procedures.**

2 (a) At the beginning of the school year for which the tuition grant applies, but not
3 later than October 1, the participating nonpublic school shall submit to the State
4 Education Assistance Authority the names and the tuition grant certificates of eligible
5 students who elect to participate in the Program and who are accepted and enrolling at
6 that school.

7 (b) The State Education Assistance Authority shall verify school eligibility and
8 forward a report to the State Board of Education with the total number and cost of the
9 certificates presented.

10 (c) The State Board of Education shall transfer to the State Education Assistance
11 Authority funds for deposit to the Student Education Account of each student enrolled in
12 an eligible school on the fifteenth day of October, December, February, April, and June.
13 The payment shall be for the scholarship amount set, calculated pursuant to G.S. 115C-
14 567.6, divided by five for each of the five installment payments. These payments shall
15 continue for as long as the eligible student is enrolled.

16 (d) The procedures set forth in this section shall also apply for a student who
17 applies to transfer from one eligible nonpublic school to another.

18 (e) If a student ceases to attend an eligible school at any time during the school
19 year, that school shall notify the State Education Assistance Authority immediately and
20 rebate the prorated amount of the last payment. The State Education Assistance
21 Authority shall withhold all further installment payments for that child to that school.

22 **"§ 115C-567.6. Scholarship amount.**

23 (a) All funding for Legislative Tuition Grants shall be provided by the State of
24 North Carolina except for any supplemental amount provided by counties. Counties may
25 create a supplemental tuition grant funding pool for pupils attending eligible nonpublic
26 schools. Counties shall not add regulatory requirements on nonpublic schools in addition
27 to those required in G.S. 115C-567.3.

28 (b) The amount of the Legislative Tuition Grant shall be computed as follows:

29 (1) Children with special needs. – The tuition grant for a child identified as
30 a child with special needs other than an academically gifted child shall
31 consist (i) one hundred percent (100%) of the per pupil amount
32 allocated by the State to the local school administrative unit in which
33 the child resides, excluding funds for children with special needs, and
34 (ii) one hundred percent (100%) of the per pupil amount allocated by
35 the State to the local school administrative unit in which the child
36 resides, for children with special needs.

37 (2) Other children in families with family incomes of less than one hundred
38 seventy-five percent (175%) of the federal poverty level. – The amount
39 of the Legislative Tuition Grant for a child in a family whose income is
40 less than one hundred seventy-five percent (175%) of the federal
41 poverty level who is not identified as a child with special needs or who
42 is identified as an academically gifted child with special needs shall
43 consist of seventy-five percent (75%) of the per pupil amount allocated

1 by the State to the local school administrative unit in which the child
2 resides, excluding funds for children with special needs.

3 (3) Other children in families with family incomes greater than or equal to
4 one hundred seventy-five percent (175%) of the federal poverty level. –

5 a. A child in grades nine through twelve in a family whose income
6 is greater than or equal to one hundred seventy-five percent
7 (175%) of the federal poverty level who is not identified as a
8 child with special needs or who is identified as an academically
9 gifted child with special needs shall not receive a Legislative
10 Tuition Grant for the 1995-96 school year. For subsequent
11 school years, the amount of the Legislative Tuition Grant shall
12 consist of fifty percent (50%) of the per pupil amount allocated
13 by the State to the local school administrative unit in which the
14 child resides, excluding funds for children with special needs.

15 b. A child in kindergarten through the eighth grade in a family
16 whose income is greater than or equal to one hundred seventy-
17 five percent (175%) of the federal poverty level who is not
18 identified as a child with special needs or who is identified as an
19 academically gifted child with special needs shall not receive a
20 Legislative Tuition Grant for the 1995-96 or the 1996-97 school
21 year. For subsequent school years, the amount of the Legislative
22 Tuition Grant shall consist of fifty percent (50%) of the per pupil
23 amount allocated by the State to the local school administrative
24 unit in which the child resides, excluding funds for children with
25 special needs.

26 The State Education Assistance Authority shall adopt rules for the determination of
27 the amount of the tuition grant to which a child is entitled. These rules shall set out the
28 manner in which the income level of the family is computed and may require the
29 submission of information necessary to make the computation.

30 **"§ 115C-567.7. Student Education Accounts.**

31 (a) Any tuition grant amount shall be credited to a Student Education Account
32 held in the student's name by the State Education Assistance Authority. Payments for the
33 educational expenses of the student enrolled in an eligible nonpublic school shall be
34 made on the direction of the student's parent or guardian.

35 (b) The eligible student's parents or guardians shall be able to draw upon the funds
36 in the Student Education Account held in the student's name that are not needed to cover
37 the educational expenses of the student in the eligible nonpublic school to obtain grants
38 for additional or future educational services. These services may include, but are not
39 limited to, summer school, language or musical arts education, the higher cost of future
40 K-12 tuition, vocational education, and college education.

41 (c) The Student Education Account shall be maintained until the later of the
42 student's 25th birthday or five years after separation from military service begun before

1 the student's 25th birthday. Any remaining funds shall be returned to the General Fund at
2 that time and shall no longer be held in the student's name.

3 (d) The State Education Assistance Authority shall credit to each Student
4 Education Account any interest earned on the account."

5 Sec. 2. G.S. 115C-555 reads as rewritten:

6 **"§ 115C-555. Qualification of nonpublic schools.**

7 The provisions of this Part shall apply to any nonpublic school which has one or
8 more of the following characteristics:

9 (1) It is accredited by the State Board of Education.

10 (2) It is accredited by the Southern Association of Colleges and Schools.

11 (3) It is an active member of the North Carolina Association of Independent
12 Schools.

13 (4) It receives no funding from the State of North ~~Carolina~~-Carolina, except
14 for funding from the Legislative Tuition Grant Program."

15 Sec. 3. This act is effective upon ratification.