

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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SENATE BILL 862

Short Title: Opp. Scholarships Forward Funding. (Public)

Sponsors: Senators Barefoot, Curtis, Wade (Primary Sponsors); Berger, Bingham, Brock, Brown, Daniel, J. Davis, Krawiec, Lee, McInnis, Rabin, Sanderson, and Tucker.

Referred to: Education/Higher Education

May 11, 2016

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE OPPORTUNITY SCHOLARSHIP GRANT FUND RESERVE
TO PROVIDE FUNDS FOR SCHOLARSHIP GRANTS TO BE AWARDED TO
STUDENTS FOR THE FOLLOWING SCHOOL YEAR.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-562.1 is amended by adding a new subdivision to read:

"(5a) Reserve. – The Opportunity Scholarship Grant Fund Reserve established under G.S. 115C-562.8."

SECTION 2. G.S. 115C-562.2 is amended by adding a new subsection to read:

"(b1) Beginning with the 2017-2018 school year, within the funds appropriated by the General Assembly to award scholarship grants to eligible students under this Part, the Authority may award scholarship grants to at least 2,000 more eligible students each school year than were served in the prior school year."

SECTION 3. Part 2A of Article 39 of Chapter 115C of the General Statutes is amended by adding a new section to read:

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

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. 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. The unobligated balance of funds in the Reserve at the end of each fiscal year shall not revert to the General Fund but shall be used for those purposes set forth in this section for the next fiscal year."

SECTION 4. G.S. 115C-562.8, as enacted by Section 2 of this act, reads as rewritten:

"§ 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 to 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



1 purposes set forth in this section. The unobligated balance of funds in the Reserve at the end of
 2 each fiscal year shall not revert to the General Fund, but shall be used for those purposes set forth
 3 in this section for the next fiscal year.

4 (b) The General Assembly finds that, due to the critical need in this State to provide
 5 opportunity for school choice for North Carolina students, it is imperative that the State provide an
 6 increase of funds of at least ten million dollars (\$10,000,000) each fiscal year to the Opportunity
 7 Scholarship Grant Fund Reserve. Therefore, there is appropriated from the General Fund to the
 8 Reserve the following amounts for each fiscal year to be used for the purposes set forth in this
 9 section:

<u>Fiscal Year</u>	<u>Appropriation</u>
2017-2018	\$34,840,000
2018-2019	\$44,840,000
2019-2020	\$54,840,000
2020-2021	\$64,840,000
2021-2022	\$74,840,000
2022-2023	\$84,840,000
2023-2024	\$94,840,000
2024-2025	\$104,840,000
2025-2026	\$114,840,000
2026-2027	\$124,840,000

21 For the 2027-2028 fiscal year and each fiscal year thereafter, there is appropriated from the
 22 General Fund to the Reserve the sum of one hundred thirty-four million eight hundred forty
 23 thousand dollars (\$134,840,000) to be used for the purposes set forth in this section.

24 (c) Of the funds allocated to the Authority to award scholarship grants under this Part, the
 25 Authority may retain up to four percent (4%) of those funds or one million five hundred dollars
 26 (\$1,500,000), whichever is lesser, each fiscal year for administrative costs associated with the
 27 scholarship grant program."

28 **SECTION 5.** Section 5(b) of S.L. 2013-364, as amended by Section 3.2 of S.L.
 29 2013-363 and Section 11.18 of S.L. 2015-241, is repealed.

30 **SECTION 6.(a)** It is the intent of the General Assembly to move the Opportunity
 31 Scholarship Grant program funding into the Opportunity Scholarship Grant Fund Reserve
 32 (Reserve) established under G.S. 115C-562.8, as enacted by this act, so that funds appropriated for
 33 scholarship grants in a fiscal year are awarded to students for the following school year. This
 34 change shall provide additional program stability.

35 **SECTION 6.(b)** Notwithstanding any other provision of law, the funds appropriated
 36 by S.L. 2015-241 to the Board of Governors of The University of North Carolina in the amount of
 37 twenty-four million eight hundred forty thousand dollars (\$24,840,000) to support the Opportunity
 38 Scholarship Grant program for the 2016-2017 fiscal year shall be nonrecurring and shall be used
 39 to award scholarship grants to eligible students for the 2016-2017 school year.

40 **SECTION 6.(c)** There is appropriated from the General Fund to the Reserve the sum
 41 of twenty-four million eight hundred forty thousand dollars (\$24,840,000) in nonrecurring funds
 42 for the 2016-2017 fiscal year to be used to award scholarship grants to eligible students for the
 43 2017-2018 school year in accordance with Part 2A of Article 39 of Chapter 115C of the General
 44 Statutes, as amended by this act.

45 **SECTION 7.** Sections 4 and 5 of this act become effective July 1, 2017. The
 46 remainder of this act becomes effective July 1, 2016.