

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 815
Apr 7, 2025
HOUSE PRINCIPAL CLERK

H

D

HOUSE BILL DRH30321-MT-98

Short Title: Voucher School Accountability Act. (Public)

Sponsors: Representative Prather.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO REVISE ELIGIBILITY REQUIREMENTS FOR THE OPPORTUNITY
3 SCHOLARSHIP PROGRAM AND TO INCREASE ACCOUNTABILITY AND
4 REPORTING STANDARDS FOR NONPUBLIC SCHOOLS RECEIVING
5 OPPORTUNITY SCHOLARSHIP FUNDS.

6 The General Assembly of North Carolina enacts:

7
8 **PART I. REVISE ELIGIBILITY REQUIREMENTS FOR OPPORTUNITY**
9 **SCHOLARSHIPS**

10 **SECTION 1.(a)** G.S. 115C-562.1 reads as rewritten:

11 "**§ 115C-562.1. Definitions.**

12 The following definitions apply in this Part:

13 ...

14 (3a) ~~Eligible student.— A student residing in North Carolina who has not yet~~
15 ~~received a high school diploma and who meets all of the following~~
16 ~~requirements:~~

17 a. ~~Is eligible to attend a North Carolina public school pursuant to Article~~
18 ~~25 of this Chapter. A child who is the age of 4 on or before April 16 is~~
19 ~~eligible to attend the following school year if the principal, or~~
20 ~~equivalent, of the school in which the child seeks to enroll finds that~~
21 ~~the student meets the requirements established by the Authority~~
22 ~~pursuant to G.S. 115C-562.2(d) and those findings are submitted to the~~
23 ~~Authority.~~

24 b. ~~Has not been enrolled in a postsecondary institution as a full-time~~
25 ~~student taking at least 12 hours of academic credit.~~

26 e. ~~Has not been placed in a nonpublic school or facility by a public~~
27 ~~agency at public expense.~~

28 ...

29 (3d) Eligible student. – A student residing in North Carolina who has not yet
30 received a high school diploma and who meets all of the following
31 requirements:

32 a. Meets one of the following criteria:

- 33 1. Was a student (i) assigned to and attending a public school full
34 time pursuant to G.S. 115C-366 or (ii) enrolled full time in a
35 Department of Defense Elementary and Secondary School,
36 established pursuant to 10 U.S.C. § 2164 and located in North



- 1 Carolina, during the spring semester prior to the school year
 2 for which the student is applying.
- 3 2. Received a scholarship grant for the school year prior to the
 4 school year for which the student is applying.
- 5 3. Is eligible to enter kindergarten, first grade, or second grade
 6 pursuant to Article 25 of this Chapter. A child who is the age
 7 of 4 on or before April 16 is eligible to attend the following
 8 school year if the principal, or equivalent, of the school in
 9 which the child seeks to enroll finds that the student meets the
 10 requirements established by the Authority pursuant to
 11 G.S. 115C-562.2(d) and those findings are submitted to the
 12 Authority with the child's application.
- 13 4. Is a child in foster care as defined in G.S. 131D-10.2(9).
- 14 5. Is a child whose adoption decree was entered not more than
 15 one year prior to submission of the scholarship grant
 16 application.
- 17 6. Is a child whose parent or legal guardian (i) is on full-time duty
 18 status in the active uniformed service of the United States,
 19 including members of the National Guard and Reserve on
 20 active duty orders pursuant to 10 U.S.C. § 12301, et seq., and
 21 10 U.S.C. § 12401, et seq., or (ii) receives an honorable
 22 discharge as an active duty member from the uniformed service
 23 of the United States within 12 months prior to application.
- 24 7. Is a child who meets both of the following:
- 25 I. Was enrolled in a nonpublic school that meets the
 26 requirements of Part 1 and Part 2 of this Article during
 27 the spring semester prior to the school year for which
 28 the student is applying.
- 29 II. Was enrolled for the entire school year immediately
 30 prior to the school year in which the student enrolled in
 31 the nonpublic school in one of the following:
- 32 A. A North Carolina public school.
- 33 B. A Department of Defense Elementary and
 34 Secondary School established pursuant to 10
 35 U.S.C. § 2164 and located in North Carolina.
- 36 a1. Has not enrolled in a postsecondary institution in a matriculated status
 37 eligible for enrollment for 12 hours of academic credit.
- 38 b. Meets one of the following criteria:
- 39 1. Resides in a household with an income level not in excess of
 40 two hundred percent (200%) of the amount required for the
 41 student to qualify for the federal free or reduced-price lunch
 42 program. The Authority shall not count any distribution from
 43 the estate of a decedent in calculating the income level of the
 44 applicant's household for the purposes of determining
 45 eligibility for a scholarship under this sub-sub-subdivision.
- 46 2. Is a child in foster care as defined in G.S. 131D-10.2. The
 47 Authority shall not consider the household income of the foster
 48 parent, as defined in G.S. 131D-10.2, in determining the
 49 eligibility of a foster care child.
- 50 (3e) Full-time student. – A student enrolled exclusively in a nonpublic school for
 51 elementary or secondary education whose parents have released the local

1 school administrative unit the student is eligible to attend under
2 G.S. 115C-366 of all obligations to educate the eligible student while the
3 eligible student is receiving a scholarship grant under this Part.

4 ...

5 (5b) Part-time student. – A student enrolled part time in a public school and part
6 time in a nonpublic school.

7"

8 **SECTION 1.(b)** G.S. 115C-562.2 reads as rewritten:

9 **"§ 115C-562.2. Scholarship grants.**

10 (a) The Authority shall make available no later than February 1 annually applications to
11 eligible students for the award of scholarship grants to attend any nonpublic school ~~on a full- or~~
12 ~~part-time basis.~~ school. Information about scholarship grants and the application process shall be
13 made available on the Authority's Web site. Beginning March 15, the Authority shall begin
14 awarding scholarship grants ~~to students who have applied by March 1 in the following~~
15 ~~order:~~ according to the following criteria:

16 (1) ~~Eligible~~ First priority shall be given to eligible students who received a
17 scholarship grant for the school year prior to the school year for which the
18 students are applying. ~~applying if those students have applied by March 1.~~

19 (2) ~~Eligible students qualifying for a scholarship grant in the amount provided~~
20 ~~under subdivision (1) of subsection (b2) of this section.~~ After scholarship
21 grants have been awarded to prior recipients as provided in subdivision (1) of
22 this subsection, scholarships shall be awarded with remaining funds as
23 follows:

24 a. At least fifty percent (50%) of the remaining funds shall be used to
25 award scholarship grants to eligible students residing in households
26 with an income level not in excess of the amount required for the
27 student to qualify for the federal free or reduced-price lunch program.

28 b. Any remaining funds shall be used to award scholarship grants to all
29 other eligible students.

30 (3) ~~Eligible students qualifying for a scholarship grant in the amount provided~~
31 ~~under subdivision (2) of subsection (b2) of this section.~~

32 (4) ~~Eligible students qualifying for a scholarship grant in the amount provided~~
33 ~~under subdivision (3) of subsection (b2) of this section.~~

34 (5) ~~All other students.~~

35 (a1) Scholarship grants awarded to eligible students residing in households with an income
36 level not in excess of the amount required for the student to qualify for the federal free or
37 reduced-price lunch program shall be, per year per eligible student, in an amount of up to ninety
38 percent (90%) as a full-time student or up to forty-five percent (45%) as a part-time student of
39 the average State per pupil allocation for average daily membership in the prior fiscal year.
40 Scholarship grants awarded to eligible students residing in households with an income level in
41 excess of the amount required for the student to qualify for the federal free or reduced-price lunch
42 program shall be for amounts of not more than ninety percent (90%) of the required tuition and
43 fees as a full-time student or forty-five percent (45%) of the required tuition and fees as a
44 part-time student for the nonpublic school the eligible child will attend. Tuition and fees for a
45 nonpublic school may include tuition and fees for books, transportation, equipment, or other
46 items required by the nonpublic school. No scholarship grant shall exceed, per year per eligible
47 student, an amount equal to ninety percent (90%) for a full-time student or forty-five percent
48 (45%) for a part-time student of the average State per pupil allocation for average daily
49 membership in the prior fiscal year, and no scholarship grant shall exceed the required tuition
50 and fees for the nonpublic school the eligible student will attend.

51 ...

(b2) ~~Scholarship grants shall be awarded to eligible students as follows:~~

(1) ~~For students residing in households with an income level not in excess of the amount required for the student to qualify for the federal free or reduced-price lunch program, per year per eligible student, an amount of up to one hundred percent (100%) of the average State per pupil allocation for average daily membership in the prior fiscal year.~~

(2) ~~For students residing in households with an income level between the amount required for the student to qualify for the federal free or reduced-price lunch program and not in excess of two hundred percent (200%) of that amount, per year per eligible student, an amount of up to ninety percent (90%) of the average State per pupil allocation for average daily membership in the prior fiscal year.~~

(3) ~~For students residing in households with an income level of between two hundred percent (200%) of the amount required for the student to qualify for the federal free or reduced-price lunch program and not in excess of four hundred fifty percent (450%) of that amount, per year per eligible student, an amount of up to sixty percent (60%) of the average State per pupil allocation for average daily membership in the prior fiscal year.~~

(4) ~~For all students, per year per eligible student, an amount of up to forty five percent (45%) of the average State per pupil allocation for average daily membership in the prior fiscal year, unless the student qualifies for a higher amount under this subsection.~~

(b3) ~~Tuition and fees for a nonpublic school may include tuition and fees for books, transportation, equipment, or other items required by the nonpublic school.~~

(b4) ~~No scholarship grant shall exceed, per year per eligible student, an amount equal to one hundred percent (100%) of the average State per pupil allocation for average daily membership in the prior fiscal year, and no scholarship grant shall exceed the required tuition and fees for the nonpublic school the eligible student will attend.~~

(b5) ~~In addition to the amount of the scholarship grant, for any student receiving a scholarship grant in grades three, eight, or 11, the Authority shall provide to the nonpublic school an amount equal to the cost of the nationally standardized test required to be administered as provided in G.S. 115C-562.5.~~

...."

PART II. INCREASE ACCOUNTABILITY AND REPORTING STANDARDS FOR NONPUBLIC SCHOOLS RECEIVING OPPORTUNITY SCHOLARSHIPS

SECTION 2.(a) G.S. 115C-562.2 reads as rewritten:

"§ 115C-562.2. Scholarship grants.

...

(b2) ~~Scholarship grants shall be awarded in monthly installments to eligible students as follows:~~

...

(b5) ~~In addition to the amount of the scholarship grant, for any student receiving a scholarship grant in grades three, eight, or 11, three through 12, the Authority shall provide to the nonpublic school an amount equal to the cost of the nationally standardized test required to be administered as provided in G.S. 115C-562.5.~~

...."

SECTION 2.(b) G.S. 115C-562.5 reads as rewritten:

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

- 1 (a) A nonpublic school that accepts eligible students receiving scholarship grants shall
2 comply with the following:
- 3 (1) ~~Provide~~ Annually provide to the Authority and the Division of Nonpublic
4 Education documentation for required tuition and fees charged to the student
5 by the nonpublic school. The Division shall collect this information and
6 publish it on its website.
- 7 (1a) Limit increases to the costs of tuition and fees by no more than five percent
8 (5%) each school year.
- 9 (2) Provide to the Authority a criminal background check conducted for the staff
10 member with the highest decision-making authority, as defined by the bylaws,
11 articles of incorporation, or other governing document. For all other
12 employees, if the nonpublic school is located in a local school administrative
13 unit that has adopted a policy requiring criminal history checks under
14 G.S. 115C-332, then the nonpublic school shall adopt a policy mirroring the
15 local board of education policy. Each nonpublic school shall apply its policy
16 uniformly in requiring applicants for employment to be checked for a criminal
17 history before the applicant is given an unconditional job offer. A nonpublic
18 school may employ an applicant conditionally while the board is checking the
19 person's criminal history and making a decision based on the results of the
20 check. If the local school administrative unit adopts a policy providing for
21 periodic checks of criminal history of employees, then the nonpublic school
22 located in that local school administrative unit shall adopt a policy mirroring
23 that local board of education policy. A nonpublic school shall indicate, upon
24 the inquiry by any other public school unit or nonpublic school in the State,
25 as to the reason for an employee's resignation or dismissal, if an employee's
26 criminal history was relevant to the employee's resignation or dismissal.
27 Information provided to the Authority in accordance with this subdivision is
28 otherwise privileged information and is not a public record but is for the
29 exclusive use of the Authority.
- 30 (3) Provide to the parent or guardian of an eligible student, whose tuition and fees
31 are paid in whole or in part with a scholarship grant, an annual written
32 explanation of the student's progress, including the student's scores on
33 standardized achievement tests.
- 34 (3a) Comply with the standard course of study in accordance with Part 1 of Article
35 8 of this Chapter and related rules adopted by the State Board of Education.
- 36 (4) ~~Administer, at least once in each school year, tests as provided in this~~
37 ~~subdivision.~~ Administer each school year all tests required by the State Board
38 of Education pursuant to G.S. 115C-174.11(c) for students in grades three and
39 higher in a local school administrative unit. Test performance data for students
40 shall be submitted to the Authority by July 15 of each year. Test performance
41 data reported to the Authority or collected by the Authority under this
42 subdivision is not a public record under Chapter 132 of the General Statutes.
43 ~~Tests shall be administered to all eligible students enrolled in grades three and~~
44 ~~higher whose tuition and fees are paid in whole or in part with a scholarship~~
45 ~~grant as follows:~~ Statutes, to the extent the data contains personally identifiable
46 information. Nothing in this subdivision shall prohibit a nonpublic school
47 from administering additional tests to its students.
- 48 a. ~~The nationally standardized test designated by the Authority in grades~~
49 ~~three and eight.~~
- 50 b. ~~The ACT in grade 11.~~

- 1 e. ~~A nationally standardized test or other nationally standardized~~
2 ~~equivalent measurement selected by the chief administrative officer of~~
3 ~~the nonpublic school in all other grades four and higher. For grades~~
4 ~~four through seven, the nationally standardized test or other equivalent~~
5 ~~measurement selected must measure achievement in the areas of~~
6 ~~English grammar, reading, spelling, and mathematics. For grades nine,~~
7 ~~10, and 12, the nationally standardized test or other equivalent~~
8 ~~measurement selected must measure either (i) achievement in the areas~~
9 ~~of English grammar, reading, spelling, and mathematics or (ii)~~
10 ~~competencies in the verbal and quantitative areas.~~
- 11 (5) Provide to the Authority graduation rates of the students receiving scholarship
12 grants in a manner consistent with nationally recognized standards.
- 13 (6) Contract with a certified public accountant to perform a financial review, an
14 audit, consistent with generally accepted methods of accounting or any other
15 comprehensive basis of accounting recognized by the American Institute of
16 Certified Public Accountants (AICPA) for each school year ~~in which the~~
17 ~~school enrolls 70 or more students receiving scholarship grants or scholarship~~
18 ~~funds awarded by the Authority year.~~ A nonpublic school shall report the
19 results of an audit to the Joint Legislative Education Oversight Committee by
20 December 31 of the year in which the audit is conducted.
- 21 (6a) If a school receives more than two hundred fifty thousand dollars (\$250,000)
22 in grant funds under this Part, it shall publish its expenditures in the Uniform
23 Education Reporting System.
- 24 (7) Maintain a school facility within the State where in-person instruction is
25 provided. This subdivision does not prohibit a school from offering
26 remote-only courses of instruction in addition to in-person instruction.
- 27 (8) Provide the following information annually to the Division:
28 a. Name and address of the school, including physical location address.
29 A school with more than one physical location shall establish a
30 separate notice of intent for each physical location and shall provide
31 all information required by this subdivision for each physical location.
32 b. The name of the owners and chief administrator.
33 c. Number of students in attendance at the school as of October 1.
34 d. All attendance records of students receiving scholarship grants from
35 the previous school year to ensure compliance with compulsory
36 attendance in accordance with Part 1 of Article 26 of this Chapter.
- 37 (9) Ensure that all teachers in the nonpublic school meet one of the following
38 minimum requirements:
39 a. Hold a bachelor's degree.
40 b. Hold a teacher license.
- 41 (10) Provide instruction each school year for at least 185 days or 1,025
42 instructional hours during nine calendar months.
- 43 (11) Maintain an operating reserve of four months' worth of expenses.
- 44 (12) Permit the copying and inspection of all contracts in which the nonpublic
45 school is a party. These documents are public records under Chapter 132 of
46 the General Statutes.
- 47 (13) Publish on its website contact information for the owner of the nonpublic
48 school.
- 49 (14) Comply with all applicable State laws related to the expulsion of students in
50 local school administrative units, including G.S. 115C-390.11.

1 (15) Report to the Authority on any expulsions from the nonpublic school,
 2 including the reason for the expulsion and the identity of the expelled student.
 3 This information is not a public record under Chapter 132 of the General
 4 Statutes.

5 (b) A nonpublic school that accepts students receiving scholarship grants shall not require
 6 additional fees based on the status of the student as a scholarship grant recipient.

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

10 (1) Report to the Authority on the aggregate standardized test performance of
 11 eligible students in grades ~~three, eight, and 11.~~ three and higher pursuant to
 12 subdivision (4) of subsection (a) of this section. Aggregate test performance
 13 data reported to the Authority which does not contain personally identifiable
 14 student data shall be a public record under Chapter 132 of the General ~~Statutes.~~
 15 Statutes, and the Authority shall post this data on its website. Test
 16 performance data may be shared with public or private institutions of higher
 17 education located in North Carolina and shall be provided to an independent
 18 research organization selected by the Authority for research purposes as
 19 permitted by the Federal Education Rights and Privacy Act, 20 U.S.C. §
 20 1232g.

21 (2) Retain standardized test performance data for eligible students in all other
 22 grades and annually certify to the Authority compliance with the requirements
 23 of subdivision (4) of subsection (a) of this section.

24 (c1) A nonpublic school shall not discriminate with respect to ~~the categories listed in 42~~
 25 U.S.C. § 2000d, as that statute read on January 1, 2014: the race, color, national origin, sex, sexual
 26 orientation, disability, or religion of any student or their family members.

27 (d) If the Authority or the State Board of Education determines that a nonpublic school
 28 is not in compliance with the requirements of this section, the nonpublic school shall be ineligible
 29 to receive future scholarship funds. The nonpublic school shall notify the parent or guardian of
 30 any enrolled student receiving a scholarship grant that the nonpublic school is no longer eligible
 31 to receive future scholarship grants. The Authority shall establish by rule a process for a
 32 nonpublic school to appeal for reconsideration of eligibility after one year. To ensure compliance,
 33 the Board of Directors of the Authority shall review the criminal history provided under
 34 subdivision (2) of subsection (a) of this section to ensure that the person has not been convicted
 35 of any crime listed in G.S. 115C-332. The Board shall determine through this review whether the
 36 nonpublic school is noncompliant with this section. The Board shall make written findings with
 37 regard to how the criminal history information was used when making the compliance
 38 determination. The Board of Directors may delegate any of the duties in this subsection to the
 39 Executive Director of the Authority. As part of its review, the Board shall determine whether the
 40 results indicate that the staff member has any of the following disqualifying characteristics:

41 (1) Poses a threat to the physical safety of students or personnel.

42 (2) Demonstrates that he or she does not have the integrity or honesty to fulfill his
 43 or her duties in overseeing State funds and the requirements of the scholarship
 44 grant program.

45 (3) Has not fully satisfied the criminal sentencing obligations imposed following
 46 his or her conviction by a court of competent jurisdiction.

47 "

48 **SECTION 2.(c)** G.S. 115C-562.8(d) reads as rewritten:

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

1 (1) ~~Up to one million dollars (\$1,000,000) may be used by the Authority to contract with~~
2 ~~one or more nonprofit corporations representing parents and families for outreach and~~
3 ~~scholarship education and application assistance for parents and students pursuant to Part 4A of~~
4 ~~this Article.~~

5 (2) ~~Any remaining funds shall be carried forward for one fiscal year pursuant to~~
6 ~~subsection (a) of this section.~~

7
8 **PART III. EFFECTIVE DATE**

9 **SECTION 3.** This act becomes effective July 1, 2025, and applies beginning with
10 the 2025-2026 school year.