

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

H.B. 816  
Apr 7, 2025  
HOUSE PRINCIPAL CLERK

H

D

HOUSE BILL DRH10363-MT-109

Short Title: Voucher School Transparency Act. (Public)

Sponsors: Representative Rubin.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO INCREASE ACCOUNTABILITY AND REPORTING STANDARDS FOR  
3 NONPUBLIC SCHOOLS RECEIVING OPPORTUNITY SCHOLARSHIP FUNDS AND  
4 TO REQUIRE THE STATE AUDITOR TO ANNUALLY REVIEW AUDITS OF AT  
5 LEAST THREE NONPUBLIC SCHOOLS RECEIVING OPPORTUNITY  
6 SCHOLARSHIP FUNDS.

7 The General Assembly of North Carolina enacts:

8  
9 **PART I. ACCOUNTABILITY AND REPORTING FOR OPPORTUNITY**  
10 **SCHOLARSHIP SCHOOLS**

11 **SECTION 1.(a)** G.S. 115C-562.5 reads as rewritten:

12 "**§ 115C-562.5. Obligations of nonpublic schools accepting eligible students receiving**  
13 **scholarship grants.**

14 (a) A nonpublic school that accepts eligible students receiving scholarship grants shall  
15 comply with the following:

- 16 (1) ~~Provide~~ Annually provide to the Authority documentation for required tuition  
17 and fees charged to the student by the nonpublic school.
- 18 (2) Provide to the Authority a criminal background check conducted for the staff  
19 member with the highest decision-making authority, as defined by the bylaws,  
20 articles of incorporation, or other governing document. For all teachers, the  
21 nonpublic school shall adopt a policy requiring criminal history checks under  
22 G.S. 115C-332. Each nonpublic school shall apply its policy uniformly in  
23 requiring applicants for employment to be checked for a criminal history  
24 before the applicant is given an unconditional job offer. A nonpublic school  
25 may employ an applicant conditionally while the board is checking the  
26 person's criminal history and making a decision based on the results of the  
27 check. The nonpublic school may adopt a policy providing for periodic checks  
28 of criminal history of teachers. A nonpublic school shall indicate, upon the  
29 inquiry by any other public school unit or nonpublic school in the State, as to  
30 the reason for an employee's resignation or dismissal, if an employee's  
31 criminal history was relevant to the employee's resignation or dismissal.  
32 Information provided to the Authority in accordance with this subdivision is  
33 otherwise privileged information and is not a public record but is for the  
34 exclusive use of the Authority.
- 35 (3) Provide to the parent or guardian of an eligible student, whose tuition and fees  
36 are paid in whole or in part with a scholarship grant, an annual written



- 1 explanation of the student's progress, including the student's scores on  
2 standardized achievement tests.
- 3 (4) Administer, at least once in each school year, tests as provided in this  
4 subdivision. Test performance data shall be submitted to the Authority by July  
5 15 of each year. Test performance data reported to the Authority under this  
6 subdivision is not a public record under Chapter 132 of the General Statutes.  
7 Tests shall be administered to all eligible students enrolled in grades three and  
8 higher whose tuition and fees are paid in whole or in part with a scholarship  
9 grant as follows:
- 10 a. The nationally standardized test designated by the Authority in grades  
11 three ~~and through~~ eight.
- 12 b. The ACT in grade 11.
- 13 c. A nationally standardized test or other nationally standardized  
14 equivalent measurement selected by the chief administrative officer of  
15 the nonpublic school in all other grades four and higher. For grades  
16 four through seven, the nationally standardized test or other equivalent  
17 measurement selected must measure achievement in the areas of  
18 English grammar, reading, spelling, and mathematics. For grades nine,  
19 10, and 12, the nationally standardized test or other equivalent  
20 measurement selected must measure either (i) achievement in the areas  
21 of English grammar, reading, spelling, and mathematics or (ii)  
22 competencies in the verbal and quantitative areas.
- 23 (5) Provide to the Authority graduation rates of the students receiving scholarship  
24 ~~grants—grants, including four-year cohort graduation rates, in a manner~~  
25 ~~consistent with nationally recognized standards.~~ Title I of the Elementary and  
26 Secondary Education Act of 1965, as amended, and any associated federal  
27 regulations.
- 28 (6) Contract with a certified public accountant to perform ~~a financial review, an~~  
29 audit, consistent with generally accepted methods of accounting or any other  
30 comprehensive basis of accounting recognized by the American Institute of  
31 Certified Public Accountants (AICPA) for each school year in which the  
32 school enrolls 70 or more students receiving scholarship grants or scholarship  
33 funds awarded by the Authority. accepts students receiving one hundred  
34 thousand dollars (\$100,000) or more in scholarship grants awarded under this  
35 Part. If a school accepts students receiving less than one hundred thousand  
36 dollars (\$100,000), it shall contract pursuant to this subdivision for an audit  
37 every three years. A nonpublic school shall report the results of an audit  
38 conducted under this subdivision to the Authority and the State Auditor by  
39 December 31 of the year in which the audit is conducted.
- 40 (7) Maintain a school facility within the State where in-person instruction is  
41 provided. This subdivision does not prohibit a school from offering  
42 remote-only courses of instruction in addition to in-person instruction.
- 43 (8) Provide the following information annually to the Division:
- 44 a. Name and address of the school, including physical location address.  
45 A school with more than one physical location shall establish a  
46 separate notice of intent for each physical location and shall provide  
47 all information required by this subdivision for each physical location.
- 48 b. The name of the owners and chief administrator.
- 49 c. Number of students in attendance at the school as of October 1.
- 50 d. All attendance records of students receiving scholarship grants from  
51 the previous school year.

- 1 e. The percentage of teachers with a teacher license.  
2 f. Whether the nonpublic school is accredited and, if so, the identity of  
3 that accreditor.  
4 g. Documentation of a competed fire inspection in the previous 365 days.  
5 h. Curriculum used by the nonpublic school for each grade level.  
6 i. The number of students receiving scholarship grants for the first time  
7 who attended a public school unit in the previous school year.  
8 j. The number of students receiving scholarship grants who attended a  
9 public school unit in the previous school year.  
10 (9) To the extent permitted by federal law and to the extent this information can  
11 be provided without permitting the personally identifiable information of a  
12 student to be revealed, report to the Authority on the following information:  
13 a. The number of children enrolled at the school who are recipients of  
14 scholarship funds and who have a disability and an Individualized  
15 Education Plan (IEP).  
16 b. If there are any children enrolled at the school who are recipients of  
17 scholarship funds and who have a disability and an IEP, whether the  
18 nonpublic school is educating each child in compliance with his or her  
19 IDEA, as defined in G.S. 115C-106.3(6), and applicable policies  
20 adopted by the State Board of Education for local school  
21 administrative units under Article 9 of Chapter 115C of the General  
22 Statutes.  
23 (10) Comply with the requirements of Article 8C of this Chapter, including the  
24 following:  
25 a. School Risk Management Plan. – The nonpublic school, in  
26 coordination with local law enforcement agencies, shall adopt a  
27 School Risk Management Plan (SRMP) relating to incidents of school  
28 violence. In constructing and maintaining these plans, the nonpublic  
29 school shall utilize the School Risk and Response Management  
30 System established pursuant to G.S. 115C-105.49A. These plans are  
31 not considered a public record as the term "public record" is defined  
32 under G.S. 132-1 and shall not be subject to inspection and  
33 examination under G.S. 132-6.  
34 b. Schematic diagrams and school crisis kits. – The nonpublic school  
35 shall provide schematic diagrams and keys to the main entrance of  
36 school facilities to local law enforcement agencies, in addition to  
37 implementing the provisions in G.S. 115C-105.52.  
38 c. School safety exercises. – At least once a year, the nonpublic school  
39 shall hold a full school-wide lockdown exercise with local law  
40 enforcement and emergency management agencies that are part of the  
41 school's SRMP.  
42 d. Safety information provided to the Department of Public Safety,  
43 Division of Emergency Management. – The nonpublic school shall  
44 provide the following: (i) schematic diagrams, including digital  
45 schematic diagrams, and (ii) emergency response information  
46 requested by the Division for the SRMP. The schematic diagrams and  
47 emergency response information are not considered public records as  
48 the term "public record" is defined under G.S. 132-1 and shall not be  
49 subject to inspection and examination under G.S. 132-6.  
50 (b) A nonpublic school that accepts students receiving scholarship grants shall not require  
51 any additional fees based on the status of the student as a scholarship grant recipient.

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

- 4 (1) Report to the Authority on the aggregate standardized test performance of  
 5 eligible students in grades ~~three, eight, three through eight~~ and 11. Aggregate  
 6 test performance data reported to the Authority which does not contain  
 7 personally identifiable student data shall be a public record under Chapter 132  
 8 of the General Statutes. Test performance data may be shared with public or  
 9 private institutions of higher education located in North Carolina and shall be  
 10 provided to an independent research organization selected by the Authority  
 11 for research purposes as permitted by the Federal Education Rights and  
 12 Privacy Act, 20 U.S.C. § 1232g.  
 13 (2) Retain standardized test performance data for eligible students in all other  
 14 grades and annually certify to the Authority compliance with the requirements  
 15 of subdivision (4) of subsection (a) of this section.

16 ...."

17 **SECTION 1.(b)** Section 3J.23 of S.L. 2024-57 reads as rewritten:

18 "..."

19 **"SECTION 3J.23.(b)** The Office of Learning Research at The University of North Carolina,  
 20 as established by Section 2A.8 of this act, shall study and report the following to the Joint  
 21 Legislative Education Oversight Committee by December 31, 2025:

- 22 (1) For the purpose of comparing student performance, recommendations for  
 23 nationally standardized tests for use in third grade ~~and through~~ eighth grade  
 24 that would be appropriate for administering to (i) students in nonpublic  
 25 schools who are receiving Opportunity Scholarships beginning with the  
 26 2026-2027 school year and (ii) students attending schools in public school  
 27 units. To the extent practicable, the Office of Learning Research shall  
 28 recommend only one test for use in third grade and one test for use in eighth  
 29 grade.  
 30 (2) Alignment between the nationally standardized tests selected pursuant to  
 31 subdivision (1) of this subsection and the standard course of study for third  
 32 grade ~~and through~~ eighth grade, respectively, including a crosswalk between  
 33 the standards assessed by the nationally standardized tests and the standard  
 34 course of study.  
 35 (3) Feasibility of developing a through-grade assessment for third ~~and through~~  
 36 eighth grade that would meet the following criteria:  
 37 a. Assess mastery of the standard course of study.  
 38 b. Consist of multiple testing events throughout the year that are  
 39 aggregated into a summative score.  
 40 c. Replace the current end-of-grade assessments for third and eighth  
 41 grade.  
 42 d. Yield data that can be used with the Education Value-Added  
 43 Assessment System (EVAAS).  
 44 e. Comply with federal law.

45 **"SECTION 3J.23.(c)** The State Education Assistance Authority shall designate as the  
 46 nationally standardized assessments to be administered by nonpublic schools, in accordance with  
 47 G.S. 115C-562.5(a)(4), the tests recommended by the Office of Learning Research at The  
 48 University of North Carolina for use in third grade ~~and through~~ eighth grade in accordance with  
 49 subsection (b) of this section.

50 ...."

1           **SECTION 1.(c)** Notwithstanding G.S. 115C-562.5(a)(1), for the report required  
2 pursuant to G.S. 115C-562.5(a)(1) for the 2025-2026 school year, the nonpublic school shall also  
3 provide documentation for required tuition and fees charged to students receiving scholarship  
4 grant funds under Part 2A of Article 39 of Chapter 115C of the General Statutes by the nonpublic  
5 school for the 2023-2024 and 2024-2025 school years.

6  
7 **PART II. REQUIRE THE STATE AUDITOR TO ANNUALLY REVIEW AUDITS OF**  
8 **AT LEAST THREE OPPORTUNITY SCHOLARSHIP SCHOOLS**

9           **SECTION 2.** G.S. 147-64.6(c) reads as rewritten:

10        "(c) Responsibilities. – The Auditor is responsible for the following acts and activities:

11            ...

12        (24) The Auditor shall review every year at least three completed audits of  
13 nonpublic schools that are reported to the Auditor pursuant to  
14 G.S. 115C-562.5(a)(6). The Auditor shall report to the Joint Legislative  
15 Education Oversight Committee no later than March 15 of each year on the  
16 results of this review, including the uses of taxpayer funds by the nonpublic  
17 schools and academic outcomes of students receiving scholarship grants under  
18 Part 2A of Article 39 of Chapter 115C of the General Statutes."

19  
20 **PART III. EFFECTIVE DATE**

21           **SECTION 3.** Except as otherwise provided, this act is effective when it becomes  
22 law.