

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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SENATE BILL 582

Short Title: NC Comprehensive School Accountability. (Public)

Sponsors: Senators Clark and Smith (Primary Sponsors).

Referred to: Rules and Operations of the Senate

April 4, 2019

A BILL TO BE ENTITLED

AN ACT TO REQUIRE COMPREHENSIVE SCHOOL ACCOUNTABILITY THROUGH  
THE REQUIREMENT OF CERTAIN TESTS AND ASSESSMENTS FOR ACADEMIC  
PROGRESS OF STUDENTS RECEIVING OPPORTUNITY SCHOLARSHIPS AND  
SCHOLARSHIP FUNDS FOR CHILDREN WITH DISABILITIES.

The General Assembly of North Carolina enacts:

**SECTION 1.(a)** G.S. 115C-112.6 is amended by adding a new subsection to read:

"(c1) Academic Assessment. – A nonpublic school that accepts eligible students receiving scholarship funds shall academically assess students on an annual basis for each school year at the same grade levels as required by the State Board of Education for students in the public schools pursuant to G.S. 115C-174.11(c)(1). An eligible student awarded scholarship funds who is enrolled in a nonpublic school shall participate in the academic assessments to maintain eligibility for receipt of the scholarship funds. The nonpublic school shall use one or more of the following assessment measures:

(1) A standardized group achievement test.

(2) A standardized individual achievement test.

(3) A written narrative of an evaluation of a portfolio of samples of a student's work.

(4) An alternative academic assessment of a student's proficiency used by the public schools as mutually agreed to by the parent or legal guardian and the nonpublic school.

Assessment data shall be retained by the nonpublic school for a five-year period and shall be subject to audit by the Authority to ensure compliance with this subsection. Assessment data shall be provided to the parent or guardian of an eligible student, whose tuition and fees are paid in whole or in part with scholarship funds, an annual written explanation of the student's progress, including the results of the student's academic assessment. If an eligible student received an academic assessment pursuant to G.S. 115C-593.5 for a school year, the academic assessment may be used to meet the requirements of this subsection. Nothing in this subsection shall be deemed to prohibit a nonpublic school from administering assessments at other grade levels for its own purposes."

**SECTION 1.(b)** G.S. 115C-112.8(b) is amended by adding a new subdivision to read:

"(6) Information on the compliance with the academic assessment requirement pursuant to G.S. 115C-112.6(c1)."

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



1       "(c1) An eligible student awarded a scholarship grant shall participate in administration of  
2 examinations required by G.S. 115C-562.5 to maintain eligibility for receipt of the scholarship  
3 grant."

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

5       "**§ 115C-562.5. Obligations of nonpublic schools accepting eligible students receiving**  
6 **scholarship grants.**

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

9           (1) Provide to the Authority documentation for required tuition and fees charged  
10 to the student by the nonpublic school.

11           (2) Provide to the Authority a criminal background check conducted for the staff  
12 member with the highest decision-making authority, as defined by the bylaws,  
13 articles of incorporation, or other governing document, to ensure that person  
14 has not been convicted of any crime listed in G.S. 115C-332.

15           (3) Provide to the parent or guardian of an eligible student, whose tuition and fees  
16 are paid in whole or in part with a scholarship grant, an annual written  
17 explanation of the student's progress, including the student's scores on  
18 standardized achievement tests.

19           (4) Administer, at least once in each school year, ~~a nationally standardized test or~~  
20 ~~other nationally standardized equivalent measurement selected by the chief~~  
21 ~~administrative officer of the nonpublic school~~ the assessments and tests  
22 required by the State Board of Education for public schools administered to  
23 comply with federal law according to grade level pursuant to  
24 G.S. 115C-174.11(c)(1) to all eligible students whose tuition and fees are paid  
25 in whole or in part with a scholarship grant enrolled in grades three and higher.  
26 ~~The nationally standardized test or other equivalent measurement selected~~  
27 ~~must measure achievement in the areas of English grammar, reading, spelling,~~  
28 ~~and mathematics.~~ Test performance data shall be submitted to the Authority  
29 by July 15 of each year. retained by the nonpublic school for a five-year period  
30 and shall be subject to audit by the Authority to ensure compliance with this  
31 subdivision and for the purposes of the evaluation required by  
32 G.S. 115C-562.7A. Test performance data reported to audited or collected for  
33 evaluation purposes by the Authority under this subdivision is not a public  
34 record under Chapter 132 of the General Statutes. Nothing in this subdivision  
35 shall be deemed to prohibit a nonpublic school from administering other  
36 standardized tests or tests at other grade levels for its own purposes.

37           (5) Provide to the Authority graduation rates of the students receiving scholarship  
38 grants in a manner consistent with nationally recognized standards.

39           (6) Contract with a certified public accountant to perform a financial review,  
40 consistent with generally accepted accounting principles, for each school year  
41 in which the school accepts students receiving more than three hundred  
42 thousand dollars (\$300,000) in scholarship grants awarded under this Part.

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

45       (c) A nonpublic school enrolling more than ~~25~~10 students whose tuition and fees are  
46 paid in whole or in part with a scholarship grant shall report to the Authority on the aggregate  
47 standardized test performance of eligible students. Aggregate test performance data reported to  
48 the Authority which does not contain personally identifiable student data shall be a public record  
49 under Chapter 132 of the General Statutes. Test performance data may be shared with public or  
50 private institutions of higher education located in North Carolina and shall be provided to an

1 independent research organization selected by the Authority for research purposes as permitted  
2 by the Federal Education Rights and Privacy Act, 20 U.S.C. § 1232g.

3 (c1) A nonpublic school shall not discriminate with respect to the categories listed in 42  
4 U.S.C. § 2000d, as that statute read on January 1, 2014.

5 (d) A nonpublic school accepting students receiving scholarship grants that fails to  
6 comply with the requirements of this section shall be ineligible to receive future scholarship  
7 grants if the Authority determines that the nonpublic school is not in compliance with the  
8 requirements of this section. The nonpublic school shall notify the parent or guardian of any  
9 enrolled student receiving a scholarship grant that the nonpublic school is no longer eligible to  
10 receive future scholarship grants. A nonpublic school may appeal for reconsideration of  
11 eligibility after one year."

12 **SECTION 2.(c)** G.S. 115C-562.7 reads as rewritten:

13 **"§ 115C-562.7. Authority reporting requirements.**

14 (a) Repealed by Session Laws 2014-100, s. 8.25(e), effective August 7, 2014.

15 (b) The Authority shall report annually, no later than October 15, to the Joint Legislative  
16 Education Oversight Committee on the following information from the prior school year:

- 17 (1) Total number, grade level, race, ethnicity, and sex of eligible students  
18 receiving scholarship grants.
- 19 (2) Total amount of scholarship grant funding awarded.
- 20 (3) Number of students previously enrolled in local school administrative units or  
21 charter schools in the prior semester by the previously attended local school  
22 administrative unit or charter school.
- 23 (4) Nonpublic schools in which scholarship grant recipients are enrolled,  
24 including numbers of scholarship grant students at each nonpublic school.
- 25 (5) Nonpublic schools deemed ineligible to receive scholarships.
- 26 (6) Information on the compliance with the testing and assessment requirement  
27 pursuant to G.S. 115C-562.5(a)(4).

28 (c) The Authority shall report annually, no later than December 1, to the Department of  
29 Public Instruction and the Joint Legislative Education Oversight Committee on the  
30 following: evaluation of the scholarship grants required by G.S. 115C-562.7A.

- 31 (1) ~~Learning gains or losses of students receiving scholarship grants. The report~~  
32 ~~shall include learning gains of participating students on a statewide basis and~~  
33 ~~shall compare, to the extent possible, the learning gains or losses of eligible~~  
34 ~~students by nonpublic school to the statewide learning gains or losses of public~~  
35 ~~school students with similar socioeconomic backgrounds, using aggregate~~  
36 ~~standardized test performance data provided to the Authority by nonpublic~~  
37 ~~schools and by the Department of Public Instruction.~~
- 38 (2) ~~Competitive effects on public school performance on standardized tests as a~~  
39 ~~result of the scholarship grant program. The report shall analyze the impact of~~  
40 ~~the availability of scholarship grants on public school performance on~~  
41 ~~standardized tests by local school administrative units to the extent possible,~~  
42 ~~and shall provide comparisons of the impact by geographic region and~~  
43 ~~between rural and urban local school administrative units.~~

44 ~~This report shall be conducted by an independent research organization to be selected by the~~  
45 ~~Authority, which may be a public or private entity or university. The independent research~~  
46 ~~organization shall report to the Authority on the results of its research. The Joint Legislative~~  
47 ~~Education Oversight Committee shall review reports from the Authority and shall make ongoing~~  
48 ~~recommendations to the General Assembly as needed regarding improving administration and~~  
49 ~~accountability for nonpublic schools accepting students receiving scholarship grants."~~

50 **SECTION 2.(d)** Part 2A of Article 39 of Chapter 115C of the General Statutes is  
51 amended by adding a new section to read:

1 **"§ 115C-562.7A. Scholarship grant evaluations.**

2 (a) Selection of Evaluator. – The Authority shall select an independent research  
3 organization, which may be a public or private entity or university, to conduct research for the  
4 reports required under G.S. 115C-562.7(c). In consultation with the independent research  
5 organization, the Authority shall use the tests required by G.S. 115C-562.5 for purposes of the  
6 scholarship grant evaluations. The Authority shall provide information to the independent  
7 research organization related to both applicants and recipients for the scholarship grants for the  
8 purpose of establishing student samples to conduct the evaluation.

9 (b) Evaluation Reports. – The independent research organization selected pursuant to  
10 subsection (a) of this section shall conduct research and report to the Authority on the evaluation  
11 of at least the following:

12 (1) Learning gains or losses of students receiving scholarship grants. The report  
13 shall include learning gains of participating students and shall compare, to the  
14 extent possible, the learning gains or losses of eligible students by nonpublic  
15 school to the statewide learning gains or losses of public school students with  
16 similar socioeconomic backgrounds.

17 (2) Competitive effects on public school performance on standardized tests as a  
18 result of the scholarship grant program. The report shall analyze, to the extent  
19 possible, the impact of the availability of scholarship grants on public school  
20 performance on standardized tests by local school administrative units and  
21 shall provide comparisons of the impact by geographic region and between  
22 rural and urban local school administrative units.

23 (c) Evaluation Methods. – To ensure valid and reliable results, the independent research  
24 organization shall select samples of students who (i) receive the scholarship grant and attend  
25 nonpublic schools and (ii) meet eligibility requirements for the scholarship grant and attend  
26 public schools.

27 (d) Aggregate Test Information. – The Department of Public Instruction and the  
28 Authority shall provide aggregate test information for nonpublic and public students to the  
29 independent research organization upon request for the purpose of conducting the scholarship  
30 grant evaluation.

31 (e) Confidential Information. – All personally identifiable student information provided  
32 to the independent research organization for research purposes as permitted by the Federal  
33 Education Rights and Privacy Act, 20 U.S.C. § 1232g., shall be confidential and shall not be a  
34 public record."

35 **SECTION 2.(e)** Section 8.29.(g) of S.L. 2013-360 reads as rewritten:

36 **"SECTION 8.29.(g)** The Authority shall select an independent research organization, as  
37 required by G.S. 115C-562.7, as enacted by this section, beginning with the 2017-2018 school  
38 year. ~~The first learning gains report required by G.S. 115C-562.7, as enacted by this section, shall~~  
39 ~~not be due until December 1, 2018.~~ The first financial review for a nonpublic school that accepts  
40 scholarship grant funds, as required by G.S. 115C-562.5(a)(6), as enacted by this section, shall  
41 not be required until the 2015-2016 school year."

42 **SECTION 2.(f)** The Authority shall select an independent research organization to  
43 conduct the research required by G.S. 115C-562.7A, as enacted by this act, beginning with the  
44 2019-2020 school year. The first learning gains report required by G.S. 115C-562.7, as amended  
45 by this act, shall not be due until December 1, 2020.

46 **SECTION 3.(a)** Article 41 of Chapter 115C of the General Statutes is amended by  
47 adding a new section to read:

48 **"§ 115C-593.5. Academic Assessments.**

49 A nonpublic school that accepts eligible students receiving scholarship funds shall  
50 academically assess those students on an annual basis for each school year at the same grade  
51 levels as required by the State Board of Education for students in the public schools pursuant to

1 G.S. 115C-174.11(c)(1). An eligible student awarded scholarship funds who is enrolled in a  
2 nonpublic school shall participate in the academic assessments to maintain eligibility for receipt  
3 of the scholarship funds. The nonpublic school shall use one or more of the following assessment  
4 measures:

- 5 (1) A standardized group achievement test.
- 6 (2) A standardized individual achievement test.
- 7 (3) A written narrative of an evaluation of a portfolio of samples of a student's  
8 work.
- 9 (4) An alternative academic assessment of a student's proficiency used by the  
10 public schools as mutually agreed to by the parent or legal guardian and the  
11 nonpublic school.

12 Assessment data shall be retained by the nonpublic school for a five-year period and shall be  
13 subject to audit by the Authority to ensure compliance with this section. Assessment data shall  
14 be provided to the parent or guardian of an eligible student, whose tuition and fees are paid in  
15 whole or in part with scholarship funds, an annual written explanation of the student's progress,  
16 including the results of the student's academic assessment. If an eligible student received an  
17 academic assessment pursuant to G.S. 115C-112.6(c1) for a school year, the academic  
18 assessment may be used to meet the requirements of this section. Nothing in this section shall be  
19 deemed to prohibit a nonpublic school from administering assessments at other grade levels for  
20 its own purposes."

21 **SECTION 3.(b)** G.S. 115C-598 is amended by adding a new subdivision to read:

22 "(6) Information on the compliance with the academic assessment requirement  
23 pursuant to G.S. 115C-593.5."

24 **SECTION 4.** This act is effective when it becomes law and applies beginning with  
25 the 2019-2020 school year.