

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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SENATE BILL DRS55069-MKa-83A*

Short Title: Reduce Opp. Schol. Funds/Public Schools Funds. (Public)

Sponsors: Senators Marcus, Searcy, and Nickel (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO FREEZE THE FUNDING FOR THE OPPORTUNITY SCHOLARSHIP
3 PROGRAM AT THE FUNDING LEVEL ESTABLISHED FOR THE 2018-2019 FISCAL
4 YEAR, TO APPROPRIATE THE REDUCTION IN FUNDS FOR THAT PROGRAM TO
5 THE DEPARTMENT OF PUBLIC INSTRUCTION FOR THE PURPOSE OF SCHOOL
6 SYSTEMS EMPLOYING ADDITIONAL SCHOOL-BASED PERSONNEL, AND TO
7 TRANSFER UNEXPENDED FUNDS FOR THE OPPORTUNITY SCHOLARSHIP
8 PROGRAM TO THE PUBLIC SCHOOL BUILDING CAPITAL FUND.

9 The General Assembly of North Carolina enacts:

10 **SECTION 1.** G.S. 115C-562.8(b) reads as rewritten:

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

| Fiscal Year | Appropriation |
|--|--------------------------|
| 2017-2018 | \$44,840,000 |
| 2018-2019 <u>and each fiscal year thereafter</u> | \$54,840,000 |
| 2019-2020 | \$64,840,000 |
| 2020-2021 | \$74,840,000 |
| 2021-2022 | \$84,840,000 |
| 2022-2023 | \$94,840,000 |
| 2023-2024 | \$104,840,000 |
| 2024-2025 | \$114,840,000 |
| 2025-2026 | \$124,840,000 |
| 2026-2027 | \$134,840,000 |

28 ~~For the 2027-2028 fiscal year and each fiscal year thereafter, there is appropriated from the~~
29 ~~General Fund to the Reserve the sum of one hundred forty four million eight hundred forty~~
30 ~~thousand dollars (\$144,840,000) to be used for the purposes set forth in this section.~~ When
31 developing the base budget, as defined by G.S. 143C-1-1, for each fiscal year specified in this
32 subsection, the Director of the Budget shall include the appropriated amount specified in this
33 subsection for that fiscal year."

34 **SECTION 2.** G.S. 115C-562.2(b1) is repealed.

35 **SECTION 3.(a)** Notwithstanding any other provision of law, the funds appropriated
36 to the Board of Governors of The University of North Carolina for the Opportunity Scholarship



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1 Grant Fund Reserve as part of the base budget for the 2019-2021 fiscal biennium shall be
2 decreased (i) for the 2019-2020 fiscal year by the sum of ten million dollars (\$10,000,000) and
3 (ii) for the 2020-2021 fiscal year by the sum of twenty million dollars (\$20,000,000), as provided
4 in G.S. 115C-562.8, as amended by Section 1 of this act.

5 From the funds made available due to the decrease in funds in the base budget as
6 authorized by this section, there is appropriated to the Department of Public Instruction the sum
7 of ten million dollars (\$10,000,000) in recurring funds for each fiscal year of the 2019-2021 fiscal
8 biennium to allocate to local school administrative units to hire additional school-based personnel
9 who will have a direct impact on improving student outcomes. These funds shall be allocated to
10 local school administrative units as a dollar allotment based on the average daily membership of
11 each unit.

12 **SECTION 3.(b)** Beginning March 15, 2020, and March 15 of each year thereafter,
13 the Department of Public Instruction shall report to the Joint Legislative Education Oversight
14 Committee on the use of the funds allocated to local school administrative units under subsection
15 (a) of this section.

16 **SECTION 4.** G.S. 115C-562.8(a) reads as rewritten:

17 "(a) The Opportunity Scholarship Grant Fund Reserve is established as a reserve to be
18 administered by the Board of Governors of The University of North Carolina for the purpose of
19 allocating funds to the Authority for the award of scholarship grants in accordance with this Part.
20 The Reserve shall consist of monies appropriated from the General Fund to the Reserve by the
21 General Assembly and any interest accrued to it thereon. These funds shall be used to award
22 scholarship grants to eligible students for the school year that begins in the fiscal year following
23 the fiscal year in which the appropriation is made to the Reserve. The Board of Governors shall
24 only use monies in the Reserve in accordance with the purposes set forth in this section. Funds
25 appropriated in a particular fiscal year to be used for the award of scholarships in the following
26 fiscal year that are unexpended at the end of the fiscal year after the fiscal year in which the funds
27 were appropriated shall be ~~carried forward for one fiscal year and may be used for the purposes~~
28 ~~set forth in this section. Funds carried forward pursuant to this section that have not been spent~~
29 ~~within one fiscal year shall revert to the General Fund.~~ transferred to the Public School Building
30 Capital Fund established pursuant to G.S. 115C-546.2."

31 **SECTION 5.** G.S. 115C-546.2(d) reads as rewritten:

32 "(d) If funds are appropriated from the Education Lottery Fund to the Public School
33 Building Capital ~~Fund, Fund or funds are transferred from the Opportunity Grant Fund Reserve~~
34 ~~to the Public School Building Capital Fund pursuant to G.S. 115C-562.8(a),~~ such funds shall be
35 allocated for school capital construction projects on a per average daily membership basis
36 according to the average daily membership for the budget year as determined and certified by the
37 State Board of Education.

38 (1), (2) Repealed by Session Laws 2013-360, s. 6.11(b), effective July 1, 2013.

39 (3) No county shall have to provide matching funds required under subsection (c)
40 of this section.

41 (4) A county may use monies in this Fund to pay for school construction projects
42 in local school administrative units and to retire indebtedness incurred for
43 school construction projects.

44 (5) A county may not use monies in this Fund to pay for school technology
45 needs."

46 **SECTION 6.** Section 4 of this act becomes effective June 30, 2019. Sections 1, 2, 3,
47 and 5 of this act become effective July 1, 2019. The remainder of this act is effective when the
48 act becomes law.