

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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HOUSE BILL 569

Short Title: Enabling Opportunity Scholarship Reporting. (Public)

Sponsors: Representatives Ball, Hunt, Quick, and Meyer (Primary Sponsors).  
*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Rules, Calendar, and Operations of the House

April 15, 2021

1 A BILL TO BE ENTITLED  
2 AN ACT TO REQUIRE THE ADMINISTRATION OF A COMMON EXAMINATION TO A  
3 SAMPLE OF CERTAIN NONPUBLIC AND PUBLIC STUDENTS FOR THE PURPOSES  
4 OF ENABLING OPPORTUNITY SCHOLARSHIP GRANT PROGRAM REPORTING  
5 AND TO PROVIDE FOR FUNDS FOR THE EVALUATION.

6 Whereas, the most recent evaluations of similar statewide voucher programs in Ohio,  
7 Louisiana, and Indiana have found negative academic impacts for voucher students; and

8 Whereas, G.S. 115C-562.7(c) requires the State Education Assistance Authority  
9 (SEAA) to report annually on the learning gains or losses of students receiving scholarship grants  
10 and the competitive effects on public school performance on standardized tests as a result of the  
11 scholarship grant program; and

12 Whereas, the task force created by S.L. 2017-57 found that it was impossible for the  
13 SEAA to fulfill this requirement due to the Opportunity Scholarship's lack of robust  
14 accountability requirements; and

15 Whereas, the task force determined that meeting the statutory charge requires  
16 comparing the test results of a random sample of students enrolled in a nonpublic school  
17 receiving the Opportunity Scholarship against a random sample of eligible students who applied  
18 for the Opportunity Scholarship but were not awarded funds and remained in public school; and

19 Whereas, the SEAA currently lacks the authority and resources to administer a  
20 nationally normed test to such samples of students; Now, therefore,  
21 The General Assembly of North Carolina enacts:

22 **SECTION 1.** G.S. 115C-562.2 is amended by adding a new subsection to read:

23 "(c1) An eligible student awarded a scholarship grant shall participate, if selected, in  
24 administration of a common examination selected by the Authority for purposes of program  
25 evaluation as provided in G.S. 115C-562.7A to maintain eligibility for receipt of the scholarship  
26 grant."

27 **SECTION 2.** G.S. 115C-562.5 reads as rewritten:

28 **"§ 115C-562.5. Obligations of nonpublic schools accepting eligible students receiving**  
29 **scholarship grants.**

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

32 ...

33 (4a) Administer or allow administration of a common examination to those  
34 students selected as provided in G.S. 115C-562.7A for purposes of program  
35 evaluation.



1           (4b) Provide to the Authority grade retention rates for students receiving  
2           scholarship grants and grade retention rates for the total number of students  
3           enrolled.

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

6           ...."

7           **SECTION 3.** G.S. 115C-562.7(c) reads as rewritten:

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

11          ~~(1) Learning gains or losses of students receiving scholarship grants. The report~~  
12          ~~shall include learning gains of participating students on a statewide basis and~~  
13          ~~shall compare, to the extent possible, the learning gains or losses of eligible~~  
14          ~~students by nonpublic school to the statewide learning gains or losses of public~~  
15          ~~school students with similar socioeconomic backgrounds, using aggregate~~  
16          ~~standardized test performance data provided to the Authority by nonpublic~~  
17          ~~schools and by the Department of Public Instruction.~~

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

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

30          **SECTION 4.** Part 2A of Article 39 of Chapter 115C of the General Statutes is  
31          amended by adding a new section to read:

32          "**§ 115C-562.7A. Scholarship grant evaluations.**

33          (a) Selection of Evaluator. – The Authority shall select an independent research  
34          organization, which may be a public or private entity or university, to conduct research for the  
35          reports required under G.S. 115C-562.7(c). In consultation with the independent research  
36          organization, the Authority shall select a common test to be used for purposes of the scholarship  
37          grant evaluations. The Authority shall provide information to the independent research  
38          organization related to both applicants and recipients for the scholarship grants for the purpose  
39          of establishing student samples to conduct the evaluation.

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

43          (1) Learning gains or losses of students receiving scholarship grants. The report  
44          shall include learning gains of participating students and shall compare, to the  
45          extent possible, the learning gains or losses of eligible students by nonpublic  
46          school to the statewide learning gains or losses of public school students with  
47          similar socioeconomic backgrounds.

48          (2) Competitive effects on public school performance on standardized tests as a  
49          result of the scholarship grant program. The report shall analyze, to the extent  
50          possible, the impact of the availability of scholarship grants on public school  
51          performance on standardized tests by local school administrative units and

1                   shall provide comparisons of the impact by geographic region and between  
2                   rural and urban local school administrative units.

3           (c)   Evaluation Methods. – To ensure valid and reliable results, the independent research  
4           organization shall select samples of students who (i) receive the scholarship grant and attend  
5           nonpublic schools and (ii) meet eligibility requirements for the scholarship grant and attend a  
6           public school and shall administer a common test to those students for purposes of the scholarship  
7           grant evaluations. This testing shall be conducted so that the sample size shall be large enough  
8           to assure valid comparisons. If students selected for the sample have otherwise been administered  
9           the common test in that school year, the results of that test shall be provided to the independent  
10           research organization by the nonpublic or public school.

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

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

19           **SECTION 5.** G.S. 115C-174.11(c) is amended by adding a new subdivision to read:

20           "(5) The Department of Public Instruction shall require local boards of education  
21           to participate in administration of a common examination to the sample of  
22           students enrolled in the local school administrative unit selected as provided  
23           in G.S. 115C-562.7A for purposes of evaluation of the scholarship grant  
24           program established in Part 2A of Article 39 of this Chapter. The testing shall  
25           be conducted with the smallest size sample of students necessary to assure  
26           valid comparisons."

27           **SECTION 6.** G.S. 115C-562.8(c) reads as rewritten:

28           "(c)   Of the funds allocated to the Authority to award scholarship grants under this Part,  
29           the Authority may retain the lesser of ~~up to~~ four percent (4%) of the funds appropriated or ~~one~~  
30           two million five hundred one hundred fifty thousand dollars (\$1,500,000)–(\$2,150,000) each  
31           fiscal year for administrative costs associated with the scholarship grant program. The Authority  
32           shall use up to one hundred fifty thousand dollars (\$150,000) each fiscal year to cover expenses  
33           related to the selection of an independent research organization to conduct evaluations pursuant  
34           to G.S. 115C-562.7A."

35           **SECTION 7.** 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 8.** 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           2021-2022 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, 2022.

46           **SECTION 9.** Section 6 of this act becomes effective July 1, 2021. The remainder of  
47           this act is effective when it becomes law. Sections 1 through 5 of this act apply beginning with  
48           the 2021-2022 school year. A nonpublic school enrolling a student receiving a scholarship grant  
49           for the 2021-2022 school year shall provide the Authority with data on grade retention required  
50           pursuant to G.S. 115C-562.5(a)(4b), as enacted by this act, for the 2017-2018, 2018-2019,  
51           2019-2020, and 2020-2021 school years.