

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL 368

Short Title: Enabling Opportunity Scholarship Reporting. (Public)

Sponsors: Senators Meyer, Chaudhuri, and Blue (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 27, 2023

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THE ADMINISTRATION OF A COMMON EXAMINATION TO A
SAMPLE OF CERTAIN NONPUBLIC AND PUBLIC STUDENTS FOR THE PURPOSES
OF ENABLING OPPORTUNITY SCHOLARSHIP GRANT PROGRAM REPORTING
AND TO PROVIDE FOR FUNDS FOR THE EVALUATION.

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

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

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

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

Whereas, the SEAA currently lacks the authority and resources to administer a
nationally normed test to such samples of students; Now, therefore,

The General Assembly of North Carolina enacts:

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

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

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

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

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

...

(4a) Administer or allow administration of a common examination to those
students selected as provided in G.S. 115C-562.7A for purposes of program
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 up to two and one-half percent (2.5%)–the lesser of four percent (4%)
30 of the funds appropriated or two million one hundred fifty thousand dollars (\$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 2023-2024 school year. The first learning gains report required by G.S. 115C-562.7A, as enacted
45 by this act, shall not be due until December 1, 2024.

46 **SECTION 9.** Section 6 of this act becomes effective July 1, 2023. The remainder of
47 this act is effective when it becomes law. Sections 1 through 5 of this act apply beginning with
48 the 2023-2024 school year. A nonpublic school enrolling a student receiving a scholarship grant
49 for the 2023-2024 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 2019-2020, 2020-2021,
51 2021-2022, and 2022-2023 school years.