

# FAILED



NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
House Bill 259

AMENDMENT NO. A23  
(to be filled in by  
Principal Clerk)

H259-ANG-34 [v.6]

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Amends Title [NO]  
Second Edition

Date \_\_\_\_\_, 2023

Representative Budd

1 moves to amend the bill on page 49, line 37-38, by deleting the quotation mark on line 37 and  
2 inserting between the lines the following:

3 "(e) Each public school unit shall hire at least one legislative compliance office to provide  
4 administrative and secretarial support directly to teachers to ensure compliance with all State  
5 laws related to the compilation, distribution, and publication of materials, whether the  
6 compilation, distribution, or publication is a physical or digital material. The legislative  
7 compliance coordinator duties shall include but not be limited to the following:

- 8 (1) Creation of templates for teacher use.
- 9 (2) Document review.
- 10 (3) Instructional material identification assistance.
- 11 (4) Publication of curriculum assistance.
- 12 (5) Lesson plan formatting assistance.
- 13 (6) Background checks on classroom speakers.
- 14 (7) Any other duties required by statute for providing information on course  
15 materials to parents and the public, as required by this section."

16  
17 and on page 50, lines 35-37, by rewriting the lines to read:

18 **"SECTION 7.10.(j)** From funds available, the Department of Public Instruction shall  
19 disperse funds to each public school unit to hire legislative compliance coordinators as required  
20 by G.S. 115C-102.1(e). The Department shall disperse the dollar equivalent of one legislative  
21 compliance coordinator for every local school administrative unit. The Department shall disperse  
22 the remaining funds on the basis of ADM. Charter schools receiving a portion of these funds  
23 pursuant to GS 115C-218.105 shall use these funds to hire at least one legislative compliance  
24 coordinator.

25 **SECTION 7.10.(k)** Notwithstanding any other provision of law or the Committee  
26 Report described in Section 43.2 of this act to the contrary, the recurring funds appropriated in  
27 this act to the Department of Public Instruction shall be increased by the following total amounts  
28 in the following years to fund legislative compliance coordinators pursuant to  
29 G.S. 115C-102.1(e):

- 30 (1) For the 2023-2024 fiscal year, by the sum of two hundred six million five  
31 hundred forty thousand dollars (\$206,540,000).



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1 (2) For the 2024-2025 fiscal year, by the sum of two hundred forty-six million  
2 five hundred forty thousand dollars (\$246,540,000).  
3

4 **SECTION 7.10.(I)** Except as otherwise provided, this section is effective when it  
5 becomes law and applies beginning with the display of course materials used during the  
6 2023-2024 school year no later than June 30, 2024.";  
7

8 and on page 171, line 10, to page 174, line 29, by rewriting the lines to read:  
9

10 **"REPEAL OPPORTUNITY SCHOLARSHIPS AND MAKE NECESSARY**  
11 **CONFORMING CHANGES**

12 **SECTION 8A.6.(a)** Part 2A of Article 39 of Chapter 115C of the General Statutes  
13 is repealed.

14 **SECTION 8A.6.(b)** G.S. 115C-555 reads as rewritten:

15 **"§ 115C-555. Qualification of nonpublic schools.**

16 The provisions of this Part shall apply to any nonpublic school which has one or more of the  
17 following characteristics:  
18

19 ...

20 (4) It receives no funding from the State of North Carolina. For the purposes of  
21 this Article, scholarship funds awarded pursuant to ~~Part 2A of this Article or~~  
22 Article 41 of this Chapter to eligible students attending a nonpublic school  
23 shall not be considered funding from the State of North Carolina."

24 **SECTION 8A.6.(c)** G.S. 115C-567.1(a) reads as rewritten:

25 "Part 4A. Information for Parents and Students on Nonpublic School Scholarship Programs.

26 **"§ 115C-567.1. Outreach and assistance for parents and students.**

27 (a) The State Education Assistance Authority, in its administration of ~~scholarship~~  
28 ~~programs for eligible students pursuant to Part 2A of this Article and~~ Personal Education Student  
29 Accounts for Children with Disabilities under Article 41 of this Chapter may contract with a  
30 nonprofit corporation representing parents and families, for outreach and scholarship education,  
31 program promotion, and application assistance for parents and students. The Authority shall issue  
32 a request for proposals in order to enter into a contract with a nonprofit corporation that meets  
33 the following requirements during the term of the contract:  
34

35 ...."

36 **SECTION 8A.6.(d)** Article 41 of Chapter 115C of the General Statutes reads as  
37 rewritten:

38 "Article 41.

39 "Personal Education Student Accounts for Children with Disabilities.  
40

41 ...

42

43 **"§ 115C-591. Definitions.**

44 The following definitions apply in this Article:  
45

46 ...

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- 1 (3) Eligible student. – A student residing in North Carolina who has not yet  
2 received a high school diploma and who meets all of the following  
3 requirements:  
4 a. Is eligible to attend a North Carolina public school pursuant to Article  
5 25 of this Chapter. A child who is the age of four on or before April  
6 16 is eligible to attend the following school year if the principal, or  
7 equivalent, of the school in which the child seeks to enroll finds that  
8 the student meets the requirements established by the Authority  
9 pursuant to G.S. ~~415C-562.2(d)~~115C-597(a)(5) and those findings are  
10 submitted to the Authority with the child's application.  
11 b. Has not been enrolled in a postsecondary institution as a full-time  
12 student taking at least 12 hours of academic credit.  
13 c. Is a child with a disability, as defined in G.S. 115C-106.3(1).  
14 d. Has not been placed in a nonpublic school or facility by a public  
15 agency at public expense.  
16 (3a) ~~G.S. 115C-562.5-compliant~~Compliant school. – A Part 1 or 2 nonpublic  
17 school that consents to comply with the requirements of  
18 G.S. ~~115C-562.5~~115C-596.5.

19 ...  
20

21 **"§ 115C-592. Award of scholarship funds for a personal education student account.**

22 ...  
23 ~~(e) Eligibility for Other Scholarship Programs.—An eligible student under this Article~~  
24 ~~may receive, in addition to a PESA, a scholarship under Part 2A of Article 39 of this Chapter.~~  
25 ...  
26

27 **"§ 115C-595. Parental agreement; use of funds.**

28 (a) Parental Agreement. – The Authority shall provide the parent of a scholarship  
29 recipient with a written agreement, applicable for each year the eligible student receives  
30 scholarship funds under this Article, to be signed and returned to the Authority prior to receiving  
31 the scholarship funds. The agreement shall be submitted to the Authority electronically. The  
32 parent shall not designate any entity or individual to execute the agreement on the parent's behalf.  
33 A parent or eligible student's failure to comply with this section shall result in a forfeit of  
34 scholarship funds and those funds may be awarded to another eligible student. The parent shall  
35 agree to the following conditions in order to receive scholarship funds under this Article:

36 ...

- 37 (3) Use the scholarship funds deposited into a personal education student account  
38 only for the following qualifying education expenses of the eligible student:  
39 a. Tuition and fees for a ~~G.S. 115C-562.5-compliant~~ school, disbursed as  
40 provided in subdivision (1) of subsection (a1) of this section.

41 ...

- 42 (3a) Use of scholarship funds for reimbursement of tuition. – Notwithstanding  
43 sub-subdivision a. of subdivision (3) of this subsection, a parent of an eligible

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1 student may pay tuition to Part 1 or 2 nonpublic schools that are not  
2 ~~G.S. 115C-562.5~~-compliant schools with funds other than funds available in  
3 the personal education student account and then request reimbursement from  
4 the Authority from scholarship funds if the parent complies with the  
5 provisions of subdivision (2) of subsection (a1) of this section.

6 ...

7 (a1) Disbursement of Funds for Tuition. – The method by which the Authority shall  
8 disburse scholarship funds awarded to eligible students for tuition at a nonpublic school shall be  
9 based upon whether the nonpublic school is a G.S. 115C-562.5 compliant school. Scholarship  
10 funds for tuition shall be disbursed as follows:

11 (1) Scholarship endorsement for tuition. – The Authority shall remit, at least two  
12 times each school year, scholarship funds from the personal education student  
13 account for eligible students who attend ~~G.S. 115C-562.5~~-compliant schools.  
14 The funds shall be remitted to the ~~G.S. 115C-562.5~~-compliant school for  
15 endorsement by at least one of the student's parents. The parent shall  
16 restrictively endorse the scholarship funds awarded to the eligible student for  
17 deposit into the account of the ~~G.S. 115C-562.5~~-compliant school to the credit  
18 of the eligible student. The parent shall not designate any entity or individual  
19 associated with the school as the parent's attorney-in-fact to endorse the  
20 scholarship funds. A parent's failure to comply with this subdivision shall  
21 result in forfeiture of the scholarship funds for tuition. Scholarship funds  
22 forfeited for failure to comply with this subdivision shall be returned to the  
23 Authority to be awarded to another student.

24 (2) Reimbursement for tuition. – The parent of an eligible student who enrolls in  
25 a school that is (i) a North Carolina public school other than the public school  
26 to which that student would have been assigned as provided in G.S. 115C-366  
27 or (ii) a Part 1 or 2 nonpublic school that is not a ~~G.S. 115C-562.5~~-compliant  
28 school may pay tuition directly to the school with funds other than scholarship  
29 funds and request reimbursement with funds available in the personal  
30 education student account under subdivision (3a) of subsection (a) of this  
31 section. However, the Authority shall not reimburse the parent prior to the  
32 midpoint of each semester. A parent may only receive reimbursement for  
33 tuition if the parent provides documentation to the Authority that the student  
34 is enrolled in the school.

35 ...

36 **"§ 115C-596.5. Obligations of nonpublic schools accepting eligible students receiving**  
37 **scholarship funds.**

38 (a) A Part 1 or 2 nonpublic school that accepts eligible students receiving scholarship  
39 funds shall comply with the following:

40 (1) Provide to the Authority documentation for required tuition and fees charged  
41 to the student by the school.

42 (2) Provide to the Authority a criminal background check conducted for the staff  
43 member with the highest decision-making authority, as defined by the bylaws,

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- 1 articles of incorporation, or other governing document. Information provided  
2 to the Authority in accordance with this subdivision is privileged information  
3 and is not a public record but is for the exclusive use of the Authority.  
4 (3) Provide to the parent or guardian of an eligible student, whose tuition and fees  
5 are paid in whole or in part with scholarship funds, an annual written  
6 explanation of the student's progress, including the student's scores on  
7 standardized achievement tests.  
8 (4) Administer, at least once in each school year, a nationally standardized test or  
9 other nationally standardized equivalent measurement selected by the chief  
10 administrative officer of the Part 1 or 2 nonpublic school to all eligible  
11 students whose tuition and fees are paid in whole or in part with scholarship  
12 funds enrolled in grades three and higher. For grades three through eight, the  
13 nationally standardized test or other equivalent measurement selected must  
14 measure achievement in the areas of English grammar, reading, spelling, and  
15 mathematics. For grades nine through 12, the nationally standardized test or  
16 other equivalent measurement selected must measure either (i) achievement  
17 in the areas of English grammar, reading, spelling, and mathematics or (ii)  
18 competencies in the verbal and quantitative areas. Test performance data shall  
19 be submitted to the Authority by July 15 of each year. Test performance data  
20 reported to the Authority under this subdivision is not a public record under  
21 Chapter 132 of the General Statutes.  
22 (5) Provide to the Authority graduation rates of the students receiving scholarship  
23 funds in a manner consistent with nationally recognized standards.  
24 (6) Contract with a certified public accountant to perform a financial review,  
25 consistent with generally accepted accounting principles, for each school year  
26 in which the school enrolls 70 or more students receiving scholarship funds  
27 awarded by the Authority.  
28 (b) A Part 1 or 2 nonpublic school that accepts students receiving scholarship funds shall  
29 not require any additional fees based on the status of the student as a recipient of scholarship  
30 funds.  
31 (c) A Part 1 or 2 nonpublic school enrolling more than 25 students whose tuition and fees  
32 are paid in whole or in part with scholarship funds shall report to the Authority on the aggregate  
33 standardized test performance of eligible students. Aggregate test performance data reported to  
34 the Authority which does not contain personally identifiable student data shall be a public record  
35 under Chapter 132 of the General Statutes. Test performance data may be shared with public or  
36 private institutions of higher education located in North Carolina and shall be provided to an  
37 independent research organization selected by the Authority for research purposes as permitted  
38 by the Federal Education Rights and Privacy Act, 20 U.S.C. § 1232g.  
39 (d) A Part 1 or 2 nonpublic school shall not discriminate with respect to the categories  
40 listed in 42 U.S.C. § 2000d, as that statute read on January 1, 2014.  
41 (e) If the Authority determines that a Part 1 or 2 nonpublic school is not in compliance  
42 with the requirements of this section, the school shall be ineligible to receive future scholarship  
43 funds. The school shall notify the parent or guardian of any enrolled student receiving scholarship

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1 funds that the school is no longer eligible to receive future scholarship funds. The Authority shall  
2 establish by rule a process for a Part 1 or 2 nonpublic school to appeal for reconsideration of  
3 eligibility after one year. To ensure compliance, the Board of Directors of the Authority shall  
4 review the criminal history provided under subdivision (2) of subsection (a) of this section to  
5 ensure that the person has not been convicted of any crime listed in G.S. 115C-332. The Board  
6 shall determine through this review whether the Part 1 or 2 nonpublic school is noncompliant  
7 with this section. The Board shall make written findings with regard to how the criminal history  
8 information was used when making the compliance determination. The Board of Directors may  
9 delegate any of the duties in this subsection to the Executive Director of the Authority. As part  
10 of its review, the Board shall determine whether the results indicate that the staff member has  
11 any of the following disqualifying characteristics:

- 12 (1) Poses a threat to the physical safety of students or personnel.  
13 (2) Demonstrates that he or she does not have the integrity or honesty to fulfill his  
14 or her duties in overseeing State funds and the requirements of the scholarship  
15 grant program.  
16 (3) Has not fully satisfied the criminal sentencing obligations imposed following  
17 his or her conviction by a court of competent jurisdiction.  
18

19 **"§ 115C-597. Administration.**

20 (a) Rules and Regulations. – The Authority shall establish rules and regulations for the  
21 administration of the program, including the following:

- 22 (1) The administration and awarding of scholarship funds, including a lottery  
23 process for the selection of recipients within the criteria established by  
24 G.S. 115C-592(a), if necessary.  
25 (2) Requiring a surety bond or insurance to be held by account holders.  
26 (3) Use of the funds and the reporting of expenditures.  
27 (4) Monitoring and control of spending scholarship funds deposited in a personal  
28 education savings account.  
29 (5) A rule regarding the early admission of 4 year old children that establishes the  
30 same factors for eligibility as the rule adopted by the State Board of Education  
31 pursuant to G.S. 115C-364(d).

32 The Authority shall provide recipients of scholarship funds with the annual list of defined  
33 educational technology for which scholarship funds may be used.

34 ...."

35 **SECTION 8A.6.(e)** Notwithstanding any other provision of law or the Committee  
36 Report described in Section 43.2 of this act to the contrary, the recurring funds appropriated in  
37 this act to the Board of Governors of The University of North Carolina for opportunity  
38 scholarships, including funds appropriated in the Opportunity Scholarship Grant Fund Reserve,  
39 shall be decreased by the following total amounts in the following years:

- 40 (1) For the 2023-2024 fiscal year, by the sum of two hundred six million five  
41 hundred forty thousand dollars (\$206,540,000).  
42 (2) For the 2024-2025 fiscal year, by the sum of two hundred forty-six million  
43 five hundred forty thousand dollars (\$246,540,000).";

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- 1
- 2 and on page 175, lines 27-46, by deleting the lines;
- 3
- 4 and on page 179, line 43, to page 180, line 1, by deleting the lines;
- 5
- 6 and by adjusting the appropriate totals accordingly.
- 7
- 8

SIGNED \_\_\_\_\_  
Amendment Sponsor

SIGNED \_\_\_\_\_  
Committee Chair if Senate Committee Amendment

ADOPTED \_\_\_\_\_ FAILED \_\_\_\_\_ TABLED \_\_\_\_\_

**The official copy of this document, with signatures  
and vote information, is available in the  
House Principal Clerk's Office**