

# FAILED



NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
Senate Bill 257

AMENDMENT NO. **A34**  
(to be filled in by  
Principal Clerk)

S257-AMT-35 [v.6]

Page 1 of 9

Amends Title [NO]  
Fifth Edition

Date \_\_\_\_\_, 2025

Representative Prather

moves to amend the bill on page 222, lines 7-8, by inserting between the lines the following:

**"REVISE ELIGIBILITY REQUIREMENTS FOR OPPORTUNITY SCHOLARSHIPS  
AND INCREASE ACCOUNTABILITY AND REPORTING STANDARDS FOR  
NONPUBLIC SCHOOLS RECEIVING OPPORTUNITY SCHOLARSHIPS**

**SECTION 8A.15.(a) G.S. 115C-562.1 reads as rewritten:**

**"§ 115C-562.1. Definitions.**

The following definitions apply in this Part:

...

(3a) ~~Eligible student. — A student residing in North Carolina who has not yet received a high school diploma and who meets all of the following requirements:~~

a. ~~Is eligible to attend a North Carolina public school pursuant to Article 25 of this Chapter. A child who is the age of 4 on or before April 16 is eligible to attend the following school year if the principal, or equivalent, of the school in which the child seeks to enroll finds that the student meets the requirements established by the Authority pursuant to G.S. 115C-562.2(d) and those findings are submitted to the Authority.~~

b. ~~Has not been enrolled in a postsecondary institution as a full-time student taking at least 12 hours of academic credit.~~

c. ~~Has not been placed in a nonpublic school or facility by a public agency at public expense.~~

...

(3d) Eligible student. — A student residing in North Carolina who has not yet received a high school diploma and who meets all of the following requirements:

a. Meets one of the following criteria:

1. Was a student (i) assigned to and attending a public school full time pursuant to G.S. 115C-366 or (ii) enrolled full time in a Department of Defense Elementary and Secondary School, established pursuant to 10 U.S.C. § 2164 and located in North



\* S 2 5 7 - A M T - 3 5 - V - 6 \*

NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
Senate Bill 257

FAILED

S257-AMT-35 [v.6]

AMENDMENT NO. A34  
(to be filled in by  
Principal Clerk)

Page 2 of 9

- Carolina, during the spring semester prior to the school year for which the student is applying.
2. Received a scholarship grant for the school year prior to the school year for which the student is applying.
3. Is eligible to enter kindergarten, first grade, or second grade pursuant to Article 25 of this Chapter. A child who is the age of 4 on or before April 16 is eligible to attend the following school year if the principal, or equivalent, of the school in which the child seeks to enroll finds that the student meets the requirements established by the Authority pursuant to G.S. 115C-562.2(d) and those findings are submitted to the Authority with the child's application.
4. Is a child in foster care as defined in G.S. 131D-10.2(9).
5. Is a child whose adoption decree was entered not more than one year prior to submission of the scholarship grant application.
6. Is a child whose parent or legal guardian (i) is on full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to 10 U.S.C. § 12301, et seq., and 10 U.S.C. § 12401, et seq., or (ii) receives an honorable discharge as an active duty member from the uniformed service of the United States within 12 months prior to application.
7. Is a child who meets both of the following:
- I. Was enrolled in a nonpublic school that meets the requirements of Part 1 and Part 2 of this Article during the spring semester prior to the school year for which the student is applying.
- II. Was enrolled for the entire school year immediately prior to the school year in which the student enrolled in the nonpublic school in one of the following:
- A. A North Carolina public school.
- B. A Department of Defense Elementary and Secondary School established pursuant to 10 U.S.C. § 2164 and located in North Carolina.
- a1. Has not enrolled in a postsecondary institution in a matriculated status eligible for enrollment for 12 hours of academic credit.
- b. Meets one of the following criteria:
1. Resides in a household with an income level not in excess of two hundred percent (200%) of the amount required for the student to qualify for the federal free or reduced-price lunch program. The Authority shall not count any distribution from the estate of a decedent in calculating the income level of the

# FAILED

Page 3 of 9

applicant's household for the purposes of determining eligibility for a scholarship under this sub-sub-subdivision.

(3e) Full-time student. – A student enrolled exclusively in a nonpublic school for elementary or secondary education whose parents have released the local school administrative unit the student is eligible to attend under G.S. 115C-366 of all obligations to educate the eligible student while the eligible student is receiving a scholarship grant under this Part.

(5b) Part-time student. – A student enrolled part time in a public school and part time in a nonpublic school.

**SECTION 8A.15.(b)** G.S. 115C-562.2 reads as rewritten:

(a) The Authority shall make available no later than February 1 annually applications to eligible students for the award of scholarship grants to attend any nonpublic school on a full or part-time basis. school. Information about scholarship grants and the application process shall be made available on the Authority's Web site. Beginning March 15, the Authority shall begin awarding scholarship grants to students who have applied by March 1 in the following order: according to the following criteria:

(1) Eligible-First priority shall be given to eligible students who received a scholarship grant for the school year prior to the school year for which the students are applying. ~~applying if those students have applied by March 1.~~

(2) ~~Eligible students qualifying for a scholarship grant in the amount provided under subdivision (1) of subsection (b2) of this section.~~After scholarship grants have been awarded to prior recipients as provided in subdivision (1) of this subsection, scholarships shall be awarded with remaining funds as follows:

a. At least fifty percent (50%) of the remaining funds shall be used to award scholarship grants to eligible students residing in households with an income level not in excess of the amount required for the student to qualify for the federal free or reduced-price lunch program.

b. Any remaining funds shall be used to award scholarship grants to all other eligible students.

(3) ~~Eligible students qualifying for a scholarship grant in the amount provided under subdivision (2) of subsection (b2) of this section.~~

(4) ~~Eligible students qualifying for a scholarship grant in the amount provided under subdivision (3) of subsection (b2) of this section.~~

~~(5) All other students.~~

NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
Senate Bill 257

FAILED

AMENDMENT NO. A34  
(to be filled in by  
Principal Clerk)

S257-AMT-35 [v.6]

Page 4 of 9

1       (a1) Scholarship grants awarded to eligible students residing in households with an income  
2 level not in excess of the amount required for the student to qualify for the federal free or  
3 reduced-price lunch program shall be, per year per eligible student, in an amount of up to ninety  
4 percent (90%) as a full-time student or up to forty-five percent (45%) as a part-time student of  
5 the average State per pupil allocation for average daily membership in the prior fiscal year.  
6 Scholarship grants awarded to eligible students residing in households with an income level in  
7 excess of the amount required for the student to qualify for the federal free or reduced-price lunch  
8 program shall be for amounts of not more than ninety percent (90%) of the required tuition and  
9 fees as a full-time student or forty-five percent (45%) of the required tuition and fees as a  
10 part-time student for the nonpublic school the eligible child will attend. Tuition and fees for a  
11 nonpublic school may include tuition and fees for books, transportation, equipment, or other  
12 items required by the nonpublic school. No scholarship grant shall exceed, per year per eligible  
13 student, an amount equal to ninety percent (90%) for a full-time student or forty-five percent  
14 (45%) for a part-time student of the average State per pupil allocation for average daily  
15 membership in the prior fiscal year, and no scholarship grant shall exceed the required tuition  
16 and fees for the nonpublic school the eligible student will attend. Scholarship grants shall be  
17 awarded in monthly installments.

18       ...

19       (b2) ~~Scholarship grants shall be awarded to eligible students as follows:~~

- 20           (1) ~~For students residing in households with an income level not in excess of the~~  
21 ~~amount required for the student to qualify for the federal free or reduced-price~~  
22 ~~lunch program, per year per eligible student, an amount of up to one hundred~~  
23 ~~percent (100%) of the average State per pupil allocation for average daily~~  
24 ~~membership in the prior fiscal year.~~
- 25           (2) ~~For students residing in households with an income level between the amount~~  
26 ~~required for the student to qualify for the federal free or reduced-price lunch~~  
27 ~~program and not in excess of two hundred percent (200%) of that amount, per~~  
28 ~~year per eligible student, an amount of up to ninety percent (90%) of the~~  
29 ~~average State per pupil allocation for average daily membership in the prior~~  
30 ~~fiscal year.~~
- 31           (3) ~~For students residing in households with an income level of between two~~  
32 ~~hundred percent (200%) of the amount required for the student to qualify for~~  
33 ~~the federal free or reduced-price lunch program and not in excess of four~~  
34 ~~hundred fifty percent (450%) of that amount, per year per eligible student, an~~  
35 ~~amount of up to sixty percent (60%) of the average State per pupil allocation~~  
36 ~~for average daily membership in the prior fiscal year.~~
- 37           (4) ~~For all students, per year per eligible student, an amount of up to forty-five~~  
38 ~~percent (45%) of the average State per pupil allocation for average daily~~  
39 ~~membership in the prior fiscal year, unless the student qualifies for a higher~~  
40 ~~amount under this subsection.~~

41       (b3) ~~Tuition and fees for a nonpublic school may include tuition and fees for books,~~  
42 ~~transportation, equipment, or other items required by the nonpublic school.~~

NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
Senate Bill 257

FAILED

AMENDMENT NO. A34  
(to be filled in by  
Principal Clerk)

S257-AMT-35 [v.6]

Page 5 of 9

1       ~~(b4) No scholarship grant shall exceed, per year per eligible student, an amount equal to~~  
2 ~~one hundred percent (100%) of the average State per pupil allocation for average daily~~  
3 ~~membership in the prior fiscal year, and no scholarship grant shall exceed the required tuition~~  
4 ~~and fees for the nonpublic school the eligible student will attend.~~

5       (b5) In addition to the amount of the scholarship grant, for any student receiving a  
6 scholarship grant in grades ~~three, eight, or 11, three through 12~~, the Authority shall provide to  
7 the nonpublic school an amount equal to the cost of the ~~nationally standardized~~ test required to  
8 be administered as provided in G.S. 115C-562.5.

9       ...."

10       **SECTION 8A.15.(c)** G.S. 115C-562.5 reads as rewritten:

11       "**§ 115C-562.5. Obligations of nonpublic schools accepting eligible students receiving**  
12 **scholarship grants.**

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

15       (1) ~~Provide~~ Annually provide to the Authority and the Division of Nonpublic  
16 Education documentation for required tuition and fees charged to the student  
17 by the nonpublic school. The Division shall collect this information and  
18 publish it on its website.

19       (1a) Limit increases to the costs of tuition and fees by no more than five percent  
20 (5%) each school year.

21       (2) Provide to the Authority a criminal background check conducted for the staff  
22 member with the highest decision-making authority, as defined by the bylaws,  
23 articles of incorporation, or other governing document. For all other  
24 employees, if the nonpublic school is located in a local school administrative  
25 unit that has adopted a policy requiring criminal history checks under  
26 G.S. 115C-332, then the nonpublic school shall adopt a policy mirroring the  
27 local board of education policy. Each nonpublic school shall apply its policy  
28 uniformly in requiring applicants for employment to be checked for a criminal  
29 history before the applicant is given an unconditional job offer. A nonpublic  
30 school may employ an applicant conditionally while the board is checking the  
31 person's criminal history and making a decision based on the results of the  
32 check. If the local school administrative unit adopts a policy providing for  
33 periodic checks of criminal history of employees, then the nonpublic school  
34 located in that local school administrative unit shall adopt a policy mirroring  
35 that local board of education policy. A nonpublic school shall indicate, upon  
36 the inquiry by any other public school unit or nonpublic school in the State,  
37 as to the reason for an employee's resignation or dismissal, if an employee's  
38 criminal history was relevant to the employee's resignation or dismissal.  
39 Information provided to the Authority in accordance with this subdivision is  
40 otherwise privileged information and is not a public record but is for the  
41 exclusive use of the Authority.

42       (3) Provide to the parent or guardian of an eligible student, whose tuition and fees  
43 are paid in whole or in part with a scholarship grant, an annual written

NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
Senate Bill 257

FAILED

AMENDMENT NO. **A34**  
(to be filled in by  
Principal Clerk)

S257-AMT-35 [v.6]

Page 6 of 9

- 1 explanation of the student's progress, including the student's scores on  
2 standardized achievement tests.
- 3 (3a) Comply with the standard course of study in accordance with Part 1 of Article  
4 8 of this Chapter and related rules adopted by the State Board of Education.
- 5 (4) ~~Administer, at least once in each school year, tests as provided in this~~  
6 ~~subdivision. Administer each school year all tests required by the State Board~~  
7 ~~of Education pursuant to G.S. 115C-174.11(c) for students in grades three and~~  
8 ~~higher in a local school administrative unit. Test performance data for students~~  
9 ~~shall be submitted to the Authority by July 15 of each year. Test performance~~  
10 ~~data reported to the Authority or collected by the Authority under this~~  
11 ~~subdivision is not a public record under Chapter 132 of the General Statutes.~~  
12 ~~Tests shall be administered to all eligible students enrolled in grades three and~~  
13 ~~higher whose tuition and fees are paid in whole or in part with a scholarship~~  
14 ~~grant as follows: Statutes, to the extent the data contains personally identifiable~~  
15 ~~information. Nothing in this subdivision shall prohibit a nonpublic school~~  
16 ~~from administering additional tests to its students.~~
- 17 a. ~~The nationally standardized test designated by the Authority in grades~~  
18 ~~three and eight.~~
- 19 b. ~~The ACT in grade 11.~~
- 20 c. ~~A nationally standardized test or other nationally standardized~~  
21 ~~equivalent measurement selected by the chief administrative officer of~~  
22 ~~the nonpublic school in all other grades four and higher. For grades~~  
23 ~~four through seven, the nationally standardized test or other equivalent~~  
24 ~~measurement selected must measure achievement in the areas of~~  
25 ~~English grammar, reading, spelling, and mathematics. For grades nine,~~  
26 ~~10, and 12, the nationally standardized test or other equivalent~~  
27 ~~measurement selected must measure either (i) achievement in the areas~~  
28 ~~of English grammar, reading, spelling, and mathematics or (ii)~~  
29 ~~competencies in the verbal and quantitative areas.~~
- 30 (5) Provide to the Authority graduation rates of the students receiving scholarship  
31 grants in a manner consistent with nationally recognized standards.
- 32 (6) Contract with a certified public accountant to perform ~~a financial review, an~~  
33 ~~audit,~~ consistent with generally accepted methods of accounting or any other  
34 comprehensive basis of accounting recognized by the American Institute of  
35 Certified Public Accountants (AICPA) for each school year in which the  
36 school enrolls 70 or more students receiving scholarship grants or scholarship  
37 funds awarded by the Authority year. A nonpublic school shall report the  
38 results of an audit to the Joint Legislative Education Oversight Committee by  
39 December 31 of the year in which the audit is conducted.
- 40 (6a) If a school receives more than two hundred fifty thousand dollars (\$250,000)  
41 in grant funds under this Part, it shall publish its expenditures in the Uniform  
42 Education Reporting System.



NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
Senate Bill 257

FAILED

AMENDMENT NO. **A34**  
(to be filled in by  
Principal Clerk)

S257-AMT-35 [v.6]

Page 7 of 9

- 1           (7)    Maintain a school facility within the State where in-person instruction is  
2                   provided. This subdivision does not prohibit a school from offering  
3                   remote-only courses of instruction in addition to in-person instruction.  
4           (8)    Provide the following information annually to the Division:  
5                a.     Name and address of the school, including physical location address.  
6                    A school with more than one physical location shall establish a  
7                    separate notice of intent for each physical location and shall provide  
8                    all information required by this subdivision for each physical location.  
9                b.     The name of the owners and chief administrator.  
10              c.     Number of students in attendance at the school as of October 1.  
11              d.     All attendance records of students receiving scholarship grants from  
12                   the previous school year to ensure compliance with compulsory  
13                   attendance in accordance with Part 1 of Article 26 of this Chapter.  
14           (9)    Ensure that all teachers in the nonpublic school meet one of the following  
15                   minimum requirements:  
16                a.     Hold a bachelor's degree.  
17                b.     Hold a teacher license.  
18           (10)   Provide instruction each school year for at least 185 days or 1,025  
19                   instructional hours during nine calendar months.  
20           (11)   Maintain an operating reserve of four months' worth of expenses.  
21           (12)   Permit the copying and inspection of all contracts in which the nonpublic  
22                   school is a party. These documents are public records under Chapter 132 of  
23                   the General Statutes.  
24           (13)   Publish on its website contact information for the owner of the nonpublic  
25                   school.  
26           (14)   Comply with all applicable State laws related to the expulsion of students in  
27                   local school administrative units, including G.S. 115C-390.11.  
28           (15)   Report to the Authority on any expulsions from the nonpublic school,  
29                   including the reason for the expulsion and the identity of the expelled student.  
30                   This information is not a public record under Chapter 132 of the General  
31                   Statutes.  
32       (b)    A nonpublic school that accepts students receiving scholarship grants shall not require  
33       any additional fees based on the status of the student as a scholarship grant recipient.  
34       (c)    A nonpublic school enrolling more than 25 students in any grade whose tuition and  
35       fees are paid in whole or in part with a scholarship grant shall provide and retain information on  
36       student test performance in each grade with more than 25 students, as follows:  
37           (1)   Report to the Authority on the aggregate standardized test performance of  
38                   eligible students in grades ~~three, eight, and 11.~~ three and higher pursuant to  
39                   subdivision (4) of subsection (a) of this section. Aggregate test performance  
40                   data reported to the Authority which does not contain personally identifiable  
41                   student data shall be a public record under Chapter 132 of the General ~~Statutes.~~  
42                   Statutes, and the Authority shall post this data on its website. Test  
43                   performance data may be shared with public or private institutions of higher

NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
Senate Bill 257

FAILED

AMENDMENT NO. A34  
(to be filled in by  
Principal Clerk)

S257-AMT-35 [v.6]

Page 8 of 9

1 education located in North Carolina and shall be provided to an independent  
2 research organization selected by the Authority for research purposes as  
3 permitted by the Federal Education Rights and Privacy Act, 20 U.S.C. §  
4 1232g.

5 (2) Retain standardized test performance data for eligible students in all other  
6 grades and annually certify to the Authority compliance with the requirements  
7 of subdivision (4) of subsection (a) of this section.

8 (c1) A nonpublic school shall not discriminate with respect to ~~the categories listed in 42~~  
9 ~~U.S.C. § 2000d, as that statute read on January 1, 2014.~~ the race, color, national origin, sex, sexual  
10 orientation, disability, or religion of any student or their family members.

11 (d) If the Authority or the State Board of Education determines that a nonpublic school  
12 is not in compliance with the requirements of this section, the nonpublic school shall be ineligible  
13 to receive future scholarship funds. The nonpublic school shall notify the parent or guardian of  
14 any enrolled student receiving a scholarship grant that the nonpublic school is no longer eligible  
15 to receive future scholarship grants. The Authority shall establish by rule a process for a  
16 nonpublic school to appeal for reconsideration of eligibility after one year. To ensure compliance,  
17 the Board of Directors of the Authority shall review the criminal history provided under  
18 subdivision (2) of subsection (a) of this section to ensure that the person has not been convicted  
19 of any crime listed in G.S. 115C-332. The Board shall determine through this review whether the  
20 nonpublic school is noncompliant with this section. The Board shall make written findings with  
21 regard to how the criminal history information was used when making the compliance  
22 determination. The Board of Directors may delegate any of the duties in this subsection to the  
23 Executive Director of the Authority. As part of its review, the Board shall determine whether the  
24 results indicate that the staff member has any of the following disqualifying characteristics:

25 (1) Poses a threat to the physical safety of students or personnel.

26 (2) Demonstrates that he or she does not have the integrity or honesty to fulfill his  
27 or her duties in overseeing State funds and the requirements of the scholarship  
28 grant program.

29 (3) Has not fully satisfied the criminal sentencing obligations imposed following  
30 his or her conviction by a court of competent jurisdiction.

31 ...."

32 **SECTION 8A.15.(d)** G.S. 115C-562.8(d) reads as rewritten:

33 "(d) Any unexpended funds at the end of a fiscal year from the funds appropriated in a  
34 particular fiscal year to be used for the award of scholarships in the following fiscal year ~~shall be~~  
35 ~~used as follows:~~

36 (1) ~~Up to one million dollars (\$1,000,000) may be used by the Authority to contract with~~  
37 ~~one or more nonprofit corporations representing parents and families for outreach and~~  
38 ~~scholarship education and application assistance for parents and students pursuant to Part 4A of~~  
39 ~~this Article.~~

40 (2) ~~Any remaining funds~~ shall be carried forward for one fiscal year pursuant to  
41 subsection (a) of this section."

42 **SECTION 8A.15.(e)** This section applies beginning with the 2025-2026 school  
43 year."



NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
Senate Bill 257

**FAILED**

S257-AMT-35 [v.6]

AMENDMENT NO. **A34**  
(to be filled in by  
Principal Clerk)

Page 9 of 9

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**