



SENATE BILL 105: 2021 Appropriations Act, Sec. 8A.3: Equity in Opportunity Act

2021-2022 General Assembly

Committee:		Date:	February 24, 2022
Introduced by:		Prepared by:	Kara McCraw Staff Attorney
Analysis of:	Sec. 8A.3 of S.L. 2021-180		

OVERVIEW: Section 8A.3 of S.L. 2021-180, as amended by Section 2.5 of S.L. 2021-189, and Sections 2.13 and 2.14 of S.L. 2022-6, makes the following substantive changes to two scholarship grant programs for students in kindergarten through twelfth grade.

Opportunity Scholarships – Except as otherwise specified, the following changes will be effective for awards beginning with the 2022-2023 school year:

- For the 2021-2022 school year, an opportunity scholarship recipient can enroll part-time in a nonpublic school that provides only half-day programs for students with disabilities. Beginning with the 2022-2023 school year, an opportunity scholarship recipient may enroll part-time in any nonpublic school.
- For the 2021-2022 school year only, students who otherwise meet the income requirements for the scholarship grant will qualify if the student was enrolled in a public school or Department of Defense school in the fall of 2019.
- Students who otherwise meet the income requirements for the scholarship grant will qualify if the student:
 - Is at least four years old and is found by the principal, or equivalent, of the nonpublic school to meet the same requirements for admission as for a gifted and mature four-year-old admitted to a local school administrative unit.
 - Has a parent who has received an honorable discharge as an active duty member of the Armed Services within the 12 months prior to application.
 - Was (i) enrolled in a public school in the school year prior to the year in which the application is submitted and (ii) is enrolled in a nonpublic school in the spring semester immediately prior to the school year for which the scholarship grant is sought.
- The qualifying household income is raised to 175% of the amount to qualify for the federal free or reduced lunch program.
- Children in foster care will be determined to automatically meet the income requirements, with no consideration of the household income of the foster parent.
- Scholarship grant awards will be a percentage of the average State per pupil allocation in the prior fiscal year. For full-time students, it will be up to 90%, and for part-time students it will be up to 45%.

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- *The State Education Assistance Authority (SEAA) is authorized to contract with a nonprofit representing parents and families and meeting certain requirements for outreach and scholarship education, program promotion, and application assistance for parents and students.*

Personal Education Savings Accounts – Except as otherwise specified, the following changes will be effective for awards beginning with the 2022-2023 school year:

- *For the 2021-2022 school year, students receiving either a Special Education Scholarship for Children with Disabilities or a Personal Education Savings Account are eligible to enroll part-time in both public school and a nonpublic school with only half-day programs for students with disabilities. SEAA is also authorized to modify rules to allow for awards for qualifying students who had applied but had not yet been awarded scholarship funds for the 2021-2022 school year.*
- *The Special Education Scholarships for Children with Disabilities and Personal Education Savings Accounts are merged into a new program – the Personal Education Student Accounts for Children with Disabilities (PESA). For awards for the 2022-2023 school year, 2021-2022 recipients of both scholarship grant programs will receive priority in awards for applications made by March 1, 2022.*
- *A student will qualify for a PESA if the student has been identified as a student with a disability who is eligible to attend a NC public school (including qualifying 4-year-olds) and has not (i) yet received a high school diploma, (ii) enrolled full-time in postsecondary education, or (iii) been placed in a nonpublic school or facility by a public agency at public expense. Initial eligibility is determined by the local education agency using an eligibility determination form.*
- *In addition to the qualifications above, a student is eligible to receive a part-time PESA while attending a public school part-time and any nonpublic school part-time.*
- *A PESA will be awarded in the following amounts:*
 - *Students with certain disabilities (autism, hearing impairments, moderate or severe intellectual or developmental disabilities, multiple, permanent orthopedic impairments, and visual impairments) will be eligible for scholarship funds up to \$17,000. Part-time students will be eligible for up to \$8,500. Up to \$4,500 can be carried forward annually, with a maximum of \$30,000 in carryforward in the account.*
 - *All other eligible students will be eligible for scholarship funds of up to \$9,000. Part-time students will be eligible for up to \$4,500. No carryforwards are allowed.*
- *PESAs will be deposited into an account to be used by parents for tuition and qualifying education expenses in two installments, one for each semester. Parents must complete semester expense reports, including verification that the child received education at least 70 days of the semester.*
- *SEAA can directly disburse tuition to nonpublic schools that agree to meet the requirements for participation in the Opportunity Scholarship program. Tuition reimbursement can also be provided to parents for students attending a nonpublic school that does not meet the Opportunity Scholarship requirements or a public school other than the public school to which the student would have been assigned.*

This section contains multiple effective dates for conforming changes as well as application dates as indicated above. The remainder of the section became effective July 1, 2021.