



2023-2024 General Assembly

HOUSE BILL 259: 2023 Appropriations Act, Sec. 8A.6(k)-(s): Require a Sequence of Courses for Early High School Graduation and Establish the Early Graduate Scholarship Program

Committee:		Date:	December 14, 2023
Introduced by:		Prepared by:	Brian Gwyn Staff Attorney
Analysis of:	Sec. 8A.6(k)-(s) of S.L. 2023-134		

OVERVIEW: Section 8A.6(k) – (s) of S.L. 2023-134, as amended by Section 2.6 of S.L. 2023-132, requires high school students to be given the opportunity to graduate from high school within three years of entering 9th grade and for those who choose to graduate early, creates a two-semester scholarship to be used at an eligible postsecondary institution.

Graduation from High School in Three Years – This section requires the State Board of Education (SBE) to develop a sequence of courses to allow students to complete the credits required for high school graduation within three years. Local boards of education cannot require additional credits for graduation beyond those mandated by the SBE. Additionally, local boards of education can no longer require high school graduation projects.

Local boards of education must offer a sequence of courses that allow students to graduate in three years and must advise students using this sequence of the availability of early graduate scholarships. Other public schools are authorized, but not required, to offer the three-year sequence of courses.

By May 15, 2025, and May 15, 2026, local boards of education and other public school units offering a three-year graduation sequence must report to the Department of Public Instruction (DPI) on the number of rising 11th graders utilizing the sequence of courses to complete the credits required for graduation in a three-year period. DPI must report the total numbers to the Fiscal Research Division by June 1, 2025, and June 1, 2026.

The SBE must adopt emergency rules by November 1, 2023, to establish the required graduation requirements and sequence of courses. Students in 10th grade in the 2023-2024 school year who complete the required courses within three years will be eligible to graduate in the 2024-2025 school year.

Early Graduate Scholarship Program – Students are eligible for a two-semester scholarship at an eligible postsecondary institution to be used in the two academic years immediately following graduation from high school if they meet the following requirements:

- Graduate from a North Carolina public high school within three years of entering 9th grade.
- Qualify as a resident for tuition purposes.
- Meet enrollment standards by being admitted, enrolled, and classified as a student in a matriculated status at an eligible postsecondary institution.
- Submit a Free Application for Federal Student Aid (FAFSA).

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The amount of the scholarship will be determined annually using a payment schedule developed by the State Education Assistance Authority (SEAA) based on student financial need as determined by household income in comparison with the eligibility for the federal free and reduced-price lunch program, similar to calculations for Opportunity Scholarships. No scholarship can exceed the cost of attendance at the eligible postsecondary institution where the student is enrolled.

If an eligible student also receives other scholarships or grants, the amount of the early graduate scholarship will be reduced by an appropriate amount determined by the SEAA so that the total amount of scholarships and grants does not exceed the cost of attendance. If there are not sufficient funds to cover each eligible student's full scholarship amount, the SEAA must first award scholarships to students residing in households with an income level not in excess of 200% of the amount required for the student to qualify for the federal free or reduced-price lunch program.

SEAA must adopt rules related to the early graduate scholarships, including an application process and schedule, notification and disbursement procedures, and standards for reporting. SEAA must report annually beginning December 1, 2026, to the Joint Legislative Education Oversight Committee on the dollar amount of awards disbursed, the number of eligible students receiving funds, and a breakdown of the eligible postsecondary institutions that received the funds.

This section also creates the Reserve Fund for Early Graduate Scholarships that is made up of the following:

- *Funds appropriated by the General Assembly for the Program.*
- *All interest earned on appropriated funds.*

Monies in the Reserve Fund do not revert and remain available until expended. SEAA can use up to 1.5% of the funds available in the Reserve Fund each year for administrative costs.

This section became effective October 3, 2023. The provisions related to the Early Graduate Scholarship program apply to application and award of scholarships beginning with the 2025-2026 academic year.