



HOUSE BILL 823: Eliminate School Choice Program Waitlists.

2023-2024 General Assembly

Committee:	Senate Appropriations/Base Budget	Date:	May 1, 2024
Introduced by:	Reps. Cotham, Willis, Loftis, Moore	Prepared by:	Matt M. Pagett Staff Attorney
Analysis of:	PCS to Fourth Edition H823-CSMTa-2		

OVERVIEW: The PCS for HB 823 would remove the prior bill contents and provide additional funds for the opportunity scholarship grant program and the North Carolina Personal Education Student Accounts for Children with Disabilities Program.

CURRENT LAW AND BACKGROUND: There are currently two K-12 school choice scholarship programs:

- Part 2A of Article 39 of Chapter 115C of the General Statutes establishes the opportunity scholarship grant program for North Carolina students that can be used to pay for nonpublic school tuition and required costs. Students in households with lower incomes receive higher award amounts. Scholarship grants are awarded with priority given to students based on prior receipt of scholarship funds, then household income tier, then by lot. For the 2024-2025 school year, an estimated 54,878 students are on the waitlist to receive an award.
- Article 41 of Chapter 115C of the General Statutes establishes the North Carolina Personal Education Student Accounts for Children with Disabilities Program. The program provides funds to families of North Carolina students who are children with disabilities educated in a nonpublic school or home school. Award amounts are higher for certain disabilities. Awards are placed in an electronic account and may be used for qualifying expenses of the student to attend a nonpublic school, including tuition and fees, textbooks, tutoring, curricula, educational technology, student transportation, and account fees. Scholarship funds are awarded with priority given to students based on prior receipt of scholarship funds and then by lot. For the 2024-2025 school year, an estimated 2,015 students are on the waitlist to receive an award.

BILL ANALYSIS: The PCS for HB 823 would do the following:

- Establish the Education Reserve, provide \$248.00 million in nonrecurring funds to the Reserve, and transfer those funds to the State Education Assistance Authority in the 2024-2025 fiscal year to provide additional funding for the opportunity scholarship grant program.
- Appropriate \$215.46 million in recurring funds to the Opportunity Scholarship Grant Fund Reserve in the 2024-2025 fiscal year and further modify the statutory appropriation schedule for the Opportunity Scholarship Grant Fund Reserve in future years. The revised net appropriation in the 2024-2025 fiscal year to the Opportunity Scholarship Grant Fund Reserve would equal \$570.00 million.
- Appropriate an additional \$24.70 million in recurring funds for the North Carolina Personal Education Student Accounts for Children with Disabilities Program in the 2024-2025 fiscal year and in future years.

EFFECTIVE DATE: The PCS for HB 823 would become effective July 1, 2024.

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Director



Legislative Drafting
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