

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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HOUSE DRH50934-LE-411 (5/15)

Short Title: Phase in Grants for Private Sch. Students/K.

(Public)

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Sponsors: Representative Allred.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO ESTABLISH A LEGISLATIVE TUITION GRANT PROGRAM FOR PRIVATE SCHOOL STUDENTS.

The General Assembly of North Carolina enacts:

**SECTION 1.** Subchapter X of Chapter 115C of the General Statutes is amended by adding a new Article to read:

"Article 39A.

"Legislative Tuition Grant Program for Private School Students.

**"§ 115C-567.1. Legislative tuition grant program.**

(a) Administration of Program. – The Legislative Tuition Grant Program for Private School Students is established in the Department of Administration. The Division of Nonpublic Education, Department of Administration, shall administer the program.

(b) Purpose. – The purpose of the program is to provide tuition grants to public school-aged children who attend participating private schools. The grant program shall be phased in beginning with the 2008-2009 kindergarten class and subsequent kindergarten classes.

(c) Definitions. – As used in this Article:

(1) An "eligible student" is a student who (i) enters or entered kindergarten during the 2008-2009 school year or a subsequent school year and (ii) is eligible to attend a public school in the State.

(2) A "participating private school" is a private church school, a school of religious charter, or a qualified nonpublic school that elects to participate in the program and that complies with the requirements of the program and the provisions of Article 39 of this Chapter.

(d) Grants. – An eligible student shall receive a tuition grant of one thousand eight hundred dollars (\$1,800) per year for each year the eligible student attends a

1 participating private school. The tuition grant is the entitlement of the eligible student  
2 under the supervision of the student's parent or guardian and not that of any school.

3 A participating school shall not refund, rebate, or share a student's tuition grant with  
4 a parent, guardian, or student. A student's tuition grant shall only be used for  
5 educational purposes.

6 (e) Admission to Participating Schools. – Participating schools that have more  
7 eligible students applying than spaces available shall fill the available spaces by a  
8 random selection process, except that participating schools may give preference to  
9 siblings of enrolled students and previously enrolled tuition grant students under this  
10 Subchapter.

11 If a student is denied admission to a participating school because it has too few  
12 available spaces, the eligible student may transfer his or her tuition grant to a  
13 participating school that has spaces available.

14 (f) Responsibilities of Participating Schools. – All participating schools shall:

15 (1) Certify that they will not discriminate in admissions on the basis of  
16 race, color, national origin, religion, or disability;

17 (2) Demonstrate their financial accountability by:

18 a. Submitting a financial information report for the school that  
19 complies with accounting standards established by the  
20 Department and that was conducted by an accountant; and

21 b. Having the auditor certify that the report is free of material  
22 misstatements. The auditor's report shall be limited in scope to  
23 those records that are necessary for the Department to make  
24 payments to participating schools on behalf of parents for  
25 tuition grants;

26 (3) Demonstrate their financial viability by showing they can repay any  
27 funds that might be owed the State, if they are to receive fifty thousand  
28 dollars (\$50,000) or more during the school year by:

29 a. Filing with the Department prior to the start of the school year a  
30 surety bond payable to the State in an amount equal to the  
31 aggregate amount of the tuition grants expected to be paid  
32 during the school year to students admitted; or

33 b. Filing with the Department prior to the start of the school year  
34 financial information that demonstrates the school has the  
35 ability to pay an aggregate amount equal to the tuition grants  
36 expected to be paid for students admitted at the participating  
37 school; and

38 (4) Regularly report to the parent on the student's academic progress at the  
39 school.

40 (g) Autonomy of Participating Schools. – A participating school is autonomous  
41 and not an agent of the State or federal government and therefore:

42 (1) No State agency shall in any way regulate the educational program of  
43 a participating school;

- 1           (2)    The creation of this program does not expand the regulatory authority  
2           of the State or any unit of local government to impose any additional  
3           regulation of private schools beyond those necessary to enforce the  
4           requirements of the program; and
- 5           (3)    Participating schools shall be given the maximum freedom to provide  
6           an educational program to their students without governmental control.
- 7        (h)    Responsibilities of the Department. – The Department shall:
- 8           (1)    Ensure that eligible students and their parents are informed annually of  
9           which schools will be participating in the tuition grant program.
- 10          (2)   Create a standard application that students interested in the tuition  
11          grant program can use to submit to participating schools to establish  
12          their eligibility and apply for admissions. Participating schools may  
13          require supplemental information from applicants. The Department  
14          shall ensure that the application is readily available to interested  
15          families through various sources, including the Internet.
- 16        (i)    Disqualification of Participating Schools. – The Department may bar a school  
17        from participation in the program if the Department establishes that the participating  
18        school has:
- 19           (1)    Intentionally and substantially misrepresented information required  
20           under this section;
- 21           (2)    Routinely failed to comply with requirements of this section; or
- 22           (3)    Failed to refund to the State any tuition grant overpayments in a timely  
23           manner.
- 24        If the Department decides to bar a participating school from the program, it shall notify  
25        eligible students and their parents of this decision as quickly as possible.
- 26        (j)    Rule Making. – The Department shall adopt rules and procedures as  
27        necessary for the administration of the program, including rules regarding:
- 28           (1)    The eligibility and participation of private schools, including time lines  
29           that will maximize student and private school participation;
- 30           (2)    The distribution of tuition grants to eligible students; and
- 31           (3)    The application and approval procedures for tuition grants for eligible  
32           students and participating schools.
- 33        (k)    Responsibility of Local School Administrative Units. – Local school  
34        administrative units shall provide to participating schools that have admitted eligible  
35        students under this program with a complete copy of the students' school records while  
36        complying with the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. §  
37        1232(g))."

38        **SECTION 2.(a)** The Legislative Services Commission may contract with  
39        one or more qualified researchers who have previous experience evaluating school  
40        choice programs to conduct a study of the program if nonpublic funds are available for  
41        this purpose. The Legislative Services Commission may accept private funds to conduct  
42        this study.

43        **SECTION 2.(b)** The study shall assess:

- 44           (1)    The level of parental satisfaction with the program;

- 1 (2) The level of participating students' satisfaction with the program;
- 2 (3) The impact of the program and the resulting competition from private
- 3 schools on the resident school districts, public school students, and
- 4 quality of life in a community;
- 5 (4) The impact of the program on public and private school capacity,
- 6 availability, and quality; and
- 7 (5) Participating students' academic performance and graduation rates in
- 8 comparison to students who applied for a tuition grant under this
- 9 program but did not receive one because of random selection.

10 **SECTION 2.(c)** The researchers who conduct the study shall:

- 11 (1) Apply appropriate analytical and behavioral science methodologies to
- 12 ensure public confidence in the study.
- 13 (2) Protect the identity of participating schools and students by, among
- 14 other things, keeping anonymous all disaggregated data other than that
- 15 for the categories of grade level, gender, race, and ethnicity.
- 16 (3) Provide the General Assembly with a final copy of the evaluation of
- 17 the program.

18 **SECTION 2.(d)** The participating private schools shall cooperate with the

19 research effort by providing student assessment results and any other data necessary to

20 complete this study.

21 **SECTION 2.(e)** The study shall cover a period of 13 years. The General

22 Assembly may require periodic reports from the researchers. After publishing their

23 results, the researchers shall make their data and methodology available for public

24 review while complying with the requirements of FERPA (20 U.S.C. § 1232(g)).

25 **SECTION 3.** There is appropriated from the General Fund to the

26 Department of Administration the sum of twenty-two million one hundred eighty

27 thousand sixty-two dollars (\$22,180,062) for the 2008-2009 fiscal year to implement the

28 provisions of this act.

29 **SECTION 4.** This act becomes effective July 1, 2008.