

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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SENATE BILL DRS15350-MKa-167D (01/12)

Short Title: Opp. Scholarships Forward Funding. (Public)

Sponsors: Senators Barefoot, Curtis, and Wade (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO ESTABLISH THE OPPORTUNITY SCHOLARSHIP GRANT FUND RESERVE  
3 TO PROVIDE FUNDS FOR SCHOLARSHIP GRANTS TO BE AWARDED TO  
4 STUDENTS FOR THE FOLLOWING SCHOOL YEAR.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 115C-562.1 is amended by adding a new subdivision to read:

7 "(5a) Reserve. – The Opportunity Scholarship Grant Fund Reserve established under  
8 G.S. 115C-562.8."

9 **SECTION 2.** G.S. 115C-562.2 is amended by adding a new subsection to read:

10 "(b1) Beginning with the 2017-2018 school year, within the funds appropriated by the  
11 General Assembly to award scholarship grants to eligible students under this Part, the Authority  
12 may award scholarship grants to at least 2,000 more eligible students each school year than were  
13 served in the prior school year."

14 **SECTION 3.** Part 2A of Article 39 of Chapter 115C of the General Statutes is  
15 amended by adding a new section to read:

16 "**§ 115C-562.8. The Opportunity Scholarship Grant Fund Reserve.**

17 The Opportunity Scholarship Grant Fund Reserve is established as a reserve to be  
18 administered by the Board of Governors of The University of North Carolina for the purpose of  
19 allocating funds to the Authority for the award of scholarship grants in accordance with this Part.  
20 The Reserve shall consist of monies appropriated from the General Fund to the Reserve by the  
21 General Assembly. These funds shall be used to award scholarship grants to eligible students for  
22 the school year that begins in the fiscal year following the fiscal year in which the appropriation is  
23 made to the Reserve. The Board of Governors shall only use monies in the Reserve in accordance  
24 with the purposes set forth in this section. The unobligated balance of funds in the Reserve at the  
25 end of each fiscal year shall not revert to the General Fund but shall be used for those purposes set  
26 forth in this section for the next fiscal year."

27 **SECTION 4.** G.S. 115C-562.8, as enacted by Section 2 of this act, reads as rewritten:

28 "**§ 115C-562.8. The Opportunity Scholarship Grant Fund Reserve.**

29 (a) The Opportunity Scholarship Grant Fund Reserve is established as a reserve to be  
30 administered by the Board of Governors of The University of North Carolina for the purpose of  
31 allocating funds to the Authority for the award of scholarship grants in accordance with this Part.  
32 The Reserve shall consist of monies appropriated from the General Fund to the Reserve by the  
33 General Assembly to be used to award scholarship grants to eligible students for the school year  
34 that begins in the fiscal year following the fiscal year in which the appropriation is made to the  
35 Reserve. The Board of Governors shall only use monies in the Reserve in accordance with the  
36 purposes set forth in this section. The unobligated balance of funds in the Reserve at the end of



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1 each fiscal year shall not revert to the General Fund, but shall be used for those purposes set forth  
 2 in this section for the next fiscal year.

3 (b) The General Assembly finds that, due to the critical need in this State to provide  
 4 opportunity for school choice for North Carolina students, it is imperative that the State provide an  
 5 increase of funds of at least ten million dollars (\$10,000,000) each fiscal year to the Opportunity  
 6 Scholarship Grant Fund Reserve. Therefore, there is appropriated from the General Fund to the  
 7 Reserve the following amounts for each fiscal year to be used for the purposes set forth in this  
 8 section:

<u>Fiscal Year</u>	<u>Appropriation</u>
<u>2017-2018</u>	<u>\$34,840,000</u>
<u>2018-2019</u>	<u>\$44,840,000</u>
<u>2019-2020</u>	<u>\$54,840,000</u>
<u>2020-2021</u>	<u>\$64,840,000</u>
<u>2021-2022</u>	<u>\$74,840,000</u>
<u>2022-2023</u>	<u>\$84,840,000</u>
<u>2023-2024</u>	<u>\$94,840,000</u>
<u>2024-2025</u>	<u>\$104,840,000</u>
<u>2025-2026</u>	<u>\$114,840,000</u>
<u>2026-2027</u>	<u>\$124,840,000</u>

20 For the 2027-2028 fiscal year and each fiscal year thereafter, there is appropriated from the  
 21 General Fund to the Reserve the sum of one hundred thirty-four million eight hundred forty  
 22 thousand dollars (\$134,840,000) to be used for the purposes set forth in this section.

23 (c) Of the funds allocated to the Authority to award scholarship grants under this Part, the  
 24 Authority may retain up to four percent (4%) of those funds or one million five hundred dollars  
 25 (\$1,500,000), whichever is lesser, each fiscal year for administrative costs associated with the  
 26 scholarship grant program."

27 **SECTION 5.** Section 5(b) of S.L. 2013-364, as amended by Section 3.2 of S.L.  
 28 2013-363 and Section 11.18 of S.L. 2015-241, is repealed.

29 **SECTION 6.(a)** It is the intent of the General Assembly to move the Opportunity  
 30 Scholarship Grant program funding into the Opportunity Scholarship Grant Fund Reserve  
 31 (Reserve) established under G.S. 115C-562.8, as enacted by this act, so that funds appropriated for  
 32 scholarship grants in a fiscal year are awarded to students for the following school year. This  
 33 change shall provide additional program stability.

34 **SECTION 6.(b)** Notwithstanding any other provision of law, the funds appropriated  
 35 by S.L. 2015-241 to the Board of Governors of The University of North Carolina in the amount of  
 36 twenty-four million eight hundred forty thousand dollars (\$24,840,000) to support the Opportunity  
 37 Scholarship Grant program for the 2016-2017 fiscal year shall be nonrecurring and shall be used  
 38 to award scholarship grants to eligible students for the 2016-2017 school year.

39 **SECTION 6.(c)** There is appropriated from the General Fund to the Reserve the sum  
 40 of twenty-four million eight hundred forty thousand dollars (\$24,840,000) in nonrecurring funds  
 41 for the 2016-2017 fiscal year to be used to award scholarship grants to eligible students for the  
 42 2017-2018 school year in accordance with Part 2A of Article 39 of Chapter 115C of the General  
 43 Statutes, as amended by this act.

44 **SECTION 7.** Sections 4 and 5 of this act become effective July 1, 2017. The  
 45 remainder of this act becomes effective July 1, 2016.