

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 769*

Short Title: Reduce Opp. Schol. Funds/Public Schools Funds. (Public)

Sponsors: Representatives Autry, Gill, Fisher, and Majeed (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Rules, Calendar, and Operations of the House

April 16, 2019

A BILL TO BE ENTITLED

AN ACT TO FREEZE THE FUNDING FOR THE OPPORTUNITY SCHOLARSHIP PROGRAM AT THE FUNDING LEVEL ESTABLISHED FOR THE 2018-2019 FISCAL YEAR, TO APPROPRIATE THE REDUCTION IN FUNDS FOR THAT PROGRAM TO THE DEPARTMENT OF PUBLIC INSTRUCTION FOR THE PURPOSE OF SCHOOL SYSTEMS EMPLOYING ADDITIONAL SCHOOL-BASED PERSONNEL, AND TO TRANSFER UNEXPENDED FUNDS FOR THE OPPORTUNITY SCHOLARSHIP PROGRAM TO THE PUBLIC SCHOOL BUILDING CAPITAL FUND.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-562.8(b) reads as rewritten:

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

Fiscal Year	Appropriation
2017-2018	\$44,840,000
2018-2019 <u>and each fiscal year thereafter</u>	\$54,840,000
2019-2020	\$64,840,000
2020-2021	\$74,840,000
2021-2022	\$84,840,000
2022-2023	\$94,840,000
2023-2024	\$104,840,000
2024-2025	\$114,840,000
2025-2026	\$124,840,000
2026-2027	\$134,840,000

~~For the 2027-2028 fiscal year and each fiscal year thereafter, there is appropriated from the General Fund to the Reserve the sum of one hundred forty four million eight hundred forty thousand dollars (\$144,840,000) to be used for the purposes set forth in this section. When developing the base budget, as defined by G.S. 143C-1-1, for each fiscal year specified in this subsection, the Director of the Budget shall include the appropriated amount specified in this subsection for that fiscal year."~~

SECTION 2. G.S. 115C-562.2(b1) is repealed.



1 **SECTION 3.(a)** Notwithstanding any other provision of law, the funds appropriated
2 to the Board of Governors of The University of North Carolina for the Opportunity Scholarship
3 Grant Fund Reserve as part of the base budget for the 2019-2021 fiscal biennium shall be
4 decreased (i) for the 2019-2020 fiscal year by the sum of ten million dollars (\$10,000,000) and
5 (ii) for the 2020-2021 fiscal year by the sum of twenty million dollars (\$20,000,000), as provided
6 in G.S. 115C-562.8, as amended by Section 1 of this act.

7 From the funds made available due to the decrease in funds in the base budget as
8 authorized by this section, there is appropriated to the Department of Public Instruction the sum
9 of ten million dollars (\$10,000,000) in recurring funds for each fiscal year of the 2019-2021 fiscal
10 biennium to allocate to local school administrative units to hire additional school-based personnel
11 who will have a direct impact on improving student outcomes. These funds shall be allocated to
12 local school administrative units as a dollar allotment based on the average daily membership of
13 each unit.

14 **SECTION 3.(b)** Beginning March 15, 2020, and March 15 of each year thereafter,
15 the Department of Public Instruction shall report to the Joint Legislative Education Oversight
16 Committee on the use of the funds allocated to local school administrative units under subsection
17 (a) of this section.

18 **SECTION 4.** G.S. 115C-562.8(a) reads as rewritten:

19 "(a) The Opportunity Scholarship Grant Fund Reserve is established as a reserve to be
20 administered by the Board of Governors of The University of North Carolina for the purpose of
21 allocating funds to the Authority for the award of scholarship grants in accordance with this Part.
22 The Reserve shall consist of monies appropriated from the General Fund to the Reserve by the
23 General Assembly and any interest accrued to it thereon. These funds shall be used to award
24 scholarship grants to eligible students for the school year that begins in the fiscal year following
25 the fiscal year in which the appropriation is made to the Reserve. The Board of Governors shall
26 only use monies in the Reserve in accordance with the purposes set forth in this section. Funds
27 appropriated in a particular fiscal year to be used for the award of scholarships in the following
28 fiscal year that are unexpended at the end of the fiscal year after the fiscal year in which the funds
29 were appropriated shall be ~~carried forward for one fiscal year and may be used for the purposes~~
30 ~~set forth in this section. Funds carried forward pursuant to this section that have not been spent~~
31 ~~within one fiscal year shall revert to the General Fund.~~ transferred to the Public School Building
32 Capital Fund established pursuant to G.S. 115C-546.2."

33 **SECTION 5.** G.S. 115C-546.2(d) reads as rewritten:

34 "(d) If funds are appropriated from the Education Lottery Fund to the Public School
35 Building Capital ~~Fund~~, Fund or funds are transferred from the Opportunity Grant Fund Reserve
36 to the Public School Building Capital Fund pursuant to G.S. 115C-562.8(a), such funds shall be
37 allocated for school capital construction projects on a per average daily membership basis
38 according to the average daily membership for the budget year as determined and certified by the
39 State Board of Education.

40 (1), (2) Repealed by Session Laws 2013-360, s. 6.11(b), effective July 1, 2013.

41 (3) No county shall have to provide matching funds required under subsection (c)
42 of this section.

43 (4) A county may use monies in this Fund to pay for school construction projects
44 in local school administrative units and to retire indebtedness incurred for
45 school construction projects.

46 (5) A county may not use monies in this Fund to pay for school technology
47 needs."

48 **SECTION 6.** Section 4 of this act becomes effective June 30, 2019. Sections 1, 2, 3,
49 and 5 of this act become effective July 1, 2019. The remainder of this act is effective when the
50 act becomes law.