

North Carolina Opportunity Scholarships



The Opportunity Scholarship program, passed in July 2013, creates scholarships of up to \$4,200 so that low-income and working-class children in grades K-12 have access to schools that could best meet their educational needs.

This program is needed because hundreds of thousands of low-income and working-class children continue to fail state tests.

Opportunity Scholarships will be available for the 2014-15 school year. The application period will begin February 1, 2014 on the North Carolina State Education Assistance Authority website (ncseaa.edu), and parents will be notified of scholarship status starting March 1, 2014.



How Do Opportunity Scholarships Work?

Low-income and working-class children who qualify for free and reduced price lunch are eligible to receive opportunity scholarships of up to \$4,200 per student per year.

Once a child has been awarded a scholarship, the NCSEAA will send scholarship funds to the appropriate private school at least twice each school year, after the family has selected and been admitted to a qualifying private school.

Who qualifies for an Opportunity Scholarship?

To be eligible for an Opportunity Scholarship for the 2014-15 school year, two criteria must be met:

- **Household** income must not exceed free and reduced lunch eligibility guidelines (about \$43,000 for a family of 4)
- **Students** must have been enrolled in a North Carolina public school for the entire spring 2014 semester



Are there accountability measures in place for Opportunity Scholarships?

Yes. Here are some of the requirements that help keep the program accountable to schools, parents, and the public:

- Comparisons in learning between scholarship students and their public school peers will be reported annually
- Nationally standardized tests will be administered annually to all scholarship students enrolled in grades three or higher, and must be reported to the NCSEAA by July 15 each year
- Schools will provide an annual written progress report to the scholarship student's parent/guardian that includes any standardized achievement test scores
- A financial audit will be conducted at schools receiving a designated amount of scholarship funding
- Schools cannot cash scholarship funds without a parent/guardian's signature

The Opportunity Scholarship program is a strong bipartisan measure that will address the academic needs of students who need the most help.

To see if your child may qualify for an Opportunity Scholarship, visit www.schoolchoicenc.org

TOP 10 THINGS YOUR PRIVATE SCHOOL NEEDS TO KNOW ABOUT PARTICIPATING IN THE OPPORTUNITY SCHOLARSHIP PROGRAM

• LEARN MORE AT WWW.SCHOOLCHOICENC.ORG/OVERVIEW.PDF •



1. Students will be awarded up to \$4,200 in scholarship assistance to attend your private school. Please note, the grant amount will not exceed your tuition and fees if less than \$4,200.
2. The school must provide information on tuition and fees charged to a student to attend the school.
3. A criminal background check must be conducted on the staff member with the highest decision-making authority.
4. The school must provide the parent or guardian of a scholarship student with an annual written report of the student's progress, including any standardized achievement test scores.
5. At least once each school year, the school must administer a nationally standardized test to all scholarship students enrolled in grades 3 and higher. Test data must be submitted each year but it is not public record unless the school has more than 25 scholarship students. If a school has more than 25 scholarship students, test scores will be reported in the aggregate and will be public record.
6. Graduation rates of scholarship students must be provided by the school.
7. A CPA must perform a financial review of any school receiving more than \$300,000 in scholarship funding.
8. A participating school may not charge any additional fees to a scholarship student that the school would not charge to a non-scholarship student.
9. Participating schools will receive scholarship funds twice a year. The student's parent/guardian must endorse the funds over to the school in person. The North Carolina State Education Assistance Authority (NCSEAA) will electronically transfer the funds to the school.
10. A school does not have to be accredited to participate in the Opportunity Scholarship program.



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PARTICIPATING FAMILIES INFORMATION



How Will Parents Learn about the Application Process?

By February 1st of each year, the North Carolina State Education Assistance Authority will provide application information on their website, www.ncseaa.edu, and begin awarding scholarship grants March 1st.

(Bill source: § 115C-562.2 Scholarship grant)

What are the Requirements for NC Families to Participate?

Working-class families whose household income meets a certain income threshold are eligible to receive scholarship grants of up to \$4,200 per student. Eligible students must meet the following requirements (also see chart below):

For the 2014-15 school year:

1. A household's income must not exceed 100% of free and reduced lunch (FRL) eligibility (\$43,568 for a family of 4)
2. Students seeking the scholarship must have been enrolled in a North Carolina public school for the entire spring 2014 semester

For the following years:

1. A household's income must not exceed 133% of free and reduced lunch (FRL) eligibility (\$57,945 for a family of 4)
2. In addition to the income limit, a child must also meet ONE of the following:
 - Enrolled in public school the previous semester prior to applying for the scholarship
 - Entering kindergarten or first grade
 - A foster child
 - Child who was adopted not more than one year prior to applying for the scholarship

* If a household's income exceeds the amount for FRL eligibility (but does not exceed up to 133% FRL), the scholarship grant amount will be no more than 90% of the required tuition and fees of the private school up to \$4,200. (For example, if tuition and fees are \$6,000 per year, the maximum amount of the scholarship grant is \$4,200. The family would be responsible for the remaining \$1,800. If tuition and fees are \$4,000 per year, the scholarship grant would be \$3,600 with the family paying the remaining \$400).

How are Scholarship Grants Distributed?

The Authority will provide grant funds, twice each school year, to the nonpublic school where the scholarship student is attending. The student's parent or guardian must endorse the scholarship grant to the school in person. The school must deposit the grant funds into the school's bank account. The parent or guardian's failure to provide a signature could result in forfeiture of the scholarship grant.

(Bill source: § 115C-562.6 Scholarship endorsement)

Persons in Household*	100% FRL (first year)	133% FRL (thereafter)
Household of 2 could mean: one parent/one child	\$28,694	\$38,163
Household of 3 could mean: one parent/two children or two parents/one child	\$36,131	\$48,054
Household of 4 could mean: one parent/three children or two parents/two children	\$43,568	\$57,945
Household of 5 could mean: one parent/four children or two parents/three children	\$51,005	\$67,836

*Household can include anyone residing in the same household as you, such as an aunt or grandparent, for example.

PARTICIPATING SCHOOLS INFORMATION



How Will Schools Know Whether They Are Eligible to Participate?

By February of each year, the North Carolina State Education Assistance Authority will provide a list of all eligible nonpublic schools that can participate in the program. The Authority will also provide information about the scholarship program to all qualified nonpublic schools on an annual basis.

(Bill source: § 115C-562.4 Identification of nonpublic schools and distribution of scholarship grant)

What are the Requirements for a School to Participate?

Schools that accept Opportunity Scholarship students must meet the following requirements:

1. Provide required tuition and fees charged to a student to attend the school
2. Conduct a criminal background check of the staff member with the highest decision-making authority
3. Provide the parent or guardian of a scholarship student with an annual written report of the student's progress, including any standardized achievement test scores
4. Administer, at least once each school year, a nationally standardized test or equivalent measurement to all scholarship students enrolled in grades three and higher. Subject areas must include grammar, reading, spelling and math. Test data must be submitted to the Authority by July 15 each year, but it is not a public record unless the school has more than 25 scholarship students. If a school has more than 25 scholarship students, test scores will be reported in the aggregate and will be public record. (Only the name of your school and aggregate test scores will be available to the public.)
5. Provide graduation rates of scholarship students
6. A CPA must perform a financial review of any school receiving more than \$300,000 in scholarship funding
7. A participating school may not charge any additional fees to a scholarship student that the school would not charge to a non-scholarship student
8. A school must comply with all the above requirements or will potentially be ineligible to participate in future years

(Bill source: § 115C-562.5 Obligations of nonpublic schools accepting eligible students receiving scholarship grants)

How are Scholarship Grants Distributed?

The Authority will provide grant funds, at least twice each school year, to the nonpublic school where the scholarship student is attending. The student's parent or guardian must endorse the scholarship grant to the school in person. The school must deposit the check into the school's bank account. The parent or guardian's failure to personally endorse the check could result in forfeiture of the scholarship grant.

(Bill source: § 115C-562.6 Scholarship endorsement)

Are There Accreditation Requirements?

A school may participate if it is:

1. Accredited by the State Board of Education or
2. Accredited by a national or regional accrediting agency or
3. Enrolled as an active member of NCAIS or
4. Receives no other funding, other than the scholarship funding, from North Carolina

NOTE: This means a school does not have to be accredited to participate in this program.

(Bill source: § 115C-555 Qualification of nonpublic schools)



Understanding the Children with Disabilities Scholarship Grant

How does it work?

This program allows families to be reimbursed for approved educational expenses for their special needs child. Often these expenses include private school tuition, tutoring, and other therapeutic services.

Families can receive grants up to \$3,000 per semester for certain educational expenses. The amount is determined by qualifying expenses, not a family's income level.

The Children with Disabilities Scholarship Grant replaces a similar tax credit program enacted in 2011. The old program was claimed through tax forms; however, the new reimbursement process does not require tax forms. The new scholarship program begins in 2014, and priority will be given to students who received a tax credit during the previous semester.

Applications for the spring 2014 semester are available on the State Education Assistance Authority website (ncseaa.edu).

In the following years, applications will be made available no later than May 1 and parents will be notified by July 1.



To qualify, a student must:

- Have an Individualized Education Plan (IEP)
- Receive special education or related services on a daily basis (speech services, counseling, occupational therapy, etc.)
- Be under the age of 22
- Have been enrolled in public school prior to taking the grant for at least one full semester or have been receiving special education or related services through the public schools as a preschool child with a disability
- Be reevaluated for an IEP to determine continued eligibility every three years

A student is ineligible if:

- They have received a high school diploma
- They have been placed in a nonpublic school or facility by a public agency at public expense
- They have spent any time enrolled as a full-time student taking at least 12 hours of academic credit in a postsecondary educational institution
- They were 22 years or older for the entire semester