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HOUSE BILL 712  
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Senate Education/Higher Education Committee Substitute Adopted 6/18/14  
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Short Title: Clarifying Changes/Special Ed Scholarships.

(Public)

Sponsors:

Referred to:

April 11, 2013

A BILL TO BE ENTITLED

AN ACT TO REVISE AND CLARIFY THE SPECIAL EDUCATION SCHOLARSHIPS FOR CHILDREN WITH DISABILITIES AND TO EXEMPT CERTAIN SCHOOLS FROM CHILD CARE LICENSURE REQUIREMENTS.

The General Assembly of North Carolina enacts:

**SECTION 1.** Part 1H of Article 9 of Chapter 115C of the General Statutes is retitled as "Special Education Scholarships for Children With Disabilities."

**SECTION 2.** G.S. 115C-112.5 reads as rewritten:

**"§ 115C-112.5. Definitions.**

The following definitions apply in this Part:

(1) Authority. – The North Carolina State Education Assistance Authority.

(1a) Child with a disability. – As defined in G.S. 115C-106.3(1).

(1b) Disability. – As defined in G.S. 115C-106.3(2).

(1c) Educational technology. – As defined by the Authority, an item, piece of equipment, material, product, or system which may be purchased commercially off the shelf, modified, or customized and that is used primarily for educational purposes for a child with a disability.

(2) Eligible student. – A child ~~with a disability~~ under the age of 22 who meets all of the following criteria:

a. ~~Requires an Individualized Education Plan.~~ Is a child with a disability.

b. ~~Receives special education or related services on a daily basis.~~ Is eligible to attend a North Carolina public school pursuant to G.S. 115C-366.

c. Has not been placed in a nonpublic school or facility by a public agency at public expense.

d. Has not ~~spent any time~~ been enrolled in a postsecondary institution as a full-time student taking at least 12 hours of academic credit.

e. Has not received a high school diploma.

f. Meets at least one of the following requirements:

1. Was enrolled in a North Carolina public school during the previous semester.





1 ~~students; tuition, special education, related services, and educational technology, as provided in~~  
2 ~~subsection (b1) of this section. The Authority shall notify parents in writing of their eligibility~~  
3 ~~to receive scholarships for costs that will be incurred during the spring semester of the~~  
4 ~~following year by December 1 and for costs incurred during the fall semester of that year by~~  
5 ~~July 1.~~

6 (b1) Scholarship Reimbursements. – Scholarship reimbursement shall be provided as  
7 follows:

8 (1) Preapproval process. – Prior to the start of each school semester, the parent  
9 of an eligible student may submit documentation of the tuition, special  
10 education, related services, or educational technology the parent anticipates  
11 incurring costs on in that semester for preapproval by the Authority.

12 (2) Reimbursement submissions. – Following the conclusion of each school  
13 semester, the parent of an eligible student shall submit to the Authority any  
14 receipts or other documentation approved by the Authority to demonstrate  
15 the costs incurred during the semester. In addition, parents shall provide  
16 documentation of the following to seek reimbursement:

17 a. Tuition reimbursement. – Parents may only receive reimbursement  
18 for tuition if the parent provides documentation that the student was  
19 enrolled in nonpublic school or public school for which payment of  
20 tuition is required for no less than 75 days of the semester for which  
21 the parent seeks reimbursement. Tuition reimbursement shall not be  
22 provided for home schooled students.

23 b. Special education reimbursement. – Parents may only receive  
24 reimbursement for special education if the parent provides  
25 documentation that the student received special education for no less  
26 than 75 days of the semester for which the parent seeks  
27 reimbursement. Special education reimbursement shall not be  
28 provided for special education instruction provided to a home  
29 schooled student by a member of the household of a home school, as  
30 defined in G.S. 115C-563(a).

31 c. Related services reimbursement. – Parents may only receive  
32 reimbursement for related services if the parent provides  
33 documentation that the student also received special education for no  
34 less than 75 days of the semester for which the parent seeks  
35 reimbursement for the related services. Related services  
36 reimbursement shall not be provided for related services provided to  
37 a home schooled student by a member of the household of a home  
38 school, as defined in G.S. 115C-563(a).

39 d. Educational technology reimbursement. – Parents may only receive  
40 reimbursement for educational technology if the parent provides  
41 documentation that the student used the educational technology for  
42 no less than 75 days of the semester for which the parent seeks  
43 reimbursement.

44 ~~Parents may only receive reimbursement for related services provided to home schooled~~  
45 ~~students if the parent provides documentation that the student received related services for no~~  
46 ~~less than 75 days of the semester for which the parent seeks reimbursement. The Authority~~  
47 ~~shall notify parents in writing of their eligibility to receive scholarship grants for costs that will~~  
48 ~~be incurred during the spring semester of the following year by December 1 and for costs~~  
49 ~~incurred during the fall semester of that year by July 1. Following the conclusion of each~~  
50 ~~school semester, the parent of an eligible student shall submit to the Authority any receipts or~~  
51 ~~other documentation approved by the Authority to demonstrate the costs incurred during the~~

1 semester as well as documentation that the student was enrolled in the nonpublic school for no  
2 less than 75 days of the semester for which the parent seeks reimbursement for tuition or  
3 documentation that related services were provided to a home schooled student for no less than  
4 75 days of the semester for which the parent seeks reimbursement for related services.

5 (3) Scholarship award. – The Authority shall award a scholarship ~~grant~~ in the  
6 amount of costs demonstrated by the parent up to the maximum amount. If  
7 the costs incurred by the parent do not meet the maximum amount, the  
8 Authority shall use the remainder of those funds for the award of ~~scholarship~~  
9 ~~grants~~scholarships to eligible students for the following semester. The  
10 Authority shall award ~~scholarship grants~~scholarships to the parents of  
11 eligible students at least semiannually.

12 (c) Student Reevaluation. – After an eligible student's initial receipt of a ~~scholarship~~  
13 ~~grant~~scholarship, the Authority shall ensure that the student is reevaluated at least every three  
14 years by the local educational agency in order to verify that the student continues to be a child  
15 with a disability.

16 (d) Rule Making. – The Authority shall establish rules and regulations for the  
17 administration and awarding of ~~scholarship grants~~scholarships. The Authority shall annually  
18 develop a list of educational technology for which scholarships may be used and shall provide  
19 scholarship recipients with information about the list."

20 **SECTION 4.** G.S. 115C-112.6 is amended by adding a new subsection to read:

21 "(e) Public Records Exception. – Scholarship applications and personally identifiable  
22 information related to eligible students receiving scholarships shall not be a public record under  
23 Chapter 132 of the General Statutes. For the purposes of this section, personally identifiable  
24 information means any information directly related to a student or members of a student's  
25 household, including the name, birthdate, address, Social Security number, telephone number,  
26 e-mail address, financial information, or any other information or identification number that  
27 would provide information about a specific student or members of a specific student's  
28 household."

29 **SECTION 5.** G.S. 115C-112.7 reads as rewritten:

30 "**§ 115C-112.7. Verification of eligibility.**

31 (a) The Authority may seek verification of information on any application for  
32 ~~scholarship grants~~scholarships from eligible students. If a parent fails to cooperate with  
33 verification efforts, the Authority shall revoke the award of the scholarship ~~grant~~ to the eligible  
34 student.

35 (b) Parents of applicants for ~~scholarship grants~~scholarships shall authorize the  
36 Authority to access any information held by the local educational agency that is needed for  
37 verification efforts."

38 **SECTION 6.** G.S. 115C-112.8 reads as rewritten:

39 "**§ 115C-112.8. Authority reporting requirements.**

40 (a) The Authority shall report annually, no later than October 1, to the Joint Legislative  
41 Education Oversight Committee on the Special Education ~~Scholarship Grants~~Scholarships for  
42 Children with Disabilities.

43 (b) The annual report shall include all of the following information:

- 44 (1) Total number, age, and grade level of eligible students receiving ~~scholarship~~  
45 ~~grants~~scholarships.
- 46 (2) Total amount of scholarship ~~grant~~ funding awarded.
- 47 (3) Nonpublic schools in which scholarship ~~grant~~ recipients are enrolled and the  
48 number of scholarship ~~grant~~ students at that school.
- 49 (4) The type of special education or related services for which ~~scholarship~~  
50 ~~grants~~scholarships were awarded."

1           **SECTION 7.** Article 9 of Chapter 115 of the General Statutes is amended by  
 2 adding a new section to read:

3 **"§ 115C-112.9. Duties of State Board of Education.**

4           The State Board, as part of its duty to monitor all local educational agencies to determine  
 5 compliance with this Article and IDEA as provided in G.S. 115C-107.4, shall ensure that local  
 6 educational agencies do the following:

7           (1)   Conduct evaluations requested by a child's parent or guardian of suspected  
 8           children with disabilities, as defined in G.S. 115C-107.3, in a timely manner  
 9           as required by IDEA.

10          (2)   Provide reevaluations to identified children with disabilities receiving  
 11          scholarships as provided in Part 1H of this Article at the request of the parent  
 12          or guardian to ensure compliance with G.S. 115C-112.6(c)."

13          **SECTION 8.** G.S. 110-86 reads as rewritten:

14 **"§ 110-86. Definitions.**

15          Unless the context or subject matter otherwise requires, the terms or phrases used in this  
 16 Article shall be defined as follows:

17          ...

18          (2)   Child care. – A program or arrangement where three or more children less  
 19          than 13 years old, who do not reside where the care is provided, receive care  
 20          on a regular basis of at least once per week for more than four hours but less  
 21          than 24 hours per day from persons other than their guardians or full-time  
 22          custodians, or from persons not related to them by birth, marriage, or  
 23          adoption. Child care does not include the following:

24          ...

25          f.       Nonpublic schools described in Part 2 of Article 39 of Chapter 115C  
 26          of the General Statutes that are accredited by national or regional  
 27          accrediting agencies with early childhood standards and that operate  
 28          (i) a child care facility as defined in subdivision (3) of this section for  
 29          less than six and one-half hours per day either on or off the school  
 30          site; site or (ii) a child care facility for more than six and one-half  
 31          hours per day, but do not receive NC Pre-K or child care subsidy  
 32          funding;

33          ...."

34          **SECTION 9.** Section 4 of this act becomes effective July 29, 2013. The remainder  
 35 of this act is effective when it becomes law, and Sections 1 through 7 apply to grants awarded  
 36 beginning with the 2014-2015 school year.