

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL 439

Short Title: Moratorium on Opportunity Scholarships. (Public)

Sponsors: Senators Chitlik and Applewhite (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 25, 2025

A BILL TO BE ENTITLED
AN ACT TO IMPOSE A MORATORIUM ON THE AWARD OF NEW OPPORTUNITY
SCHOLARSHIPS, TO REDUCE FUNDS FOR OPPORTUNITY SCHOLARSHIPS, AND
TO REALLOCATE ADDITIONAL FUNDS MADE AVAILABLE FROM
OPPORTUNITY SCHOLARSHIPS TO SUPPORT PUBLIC SCHOOLS.

The General Assembly of North Carolina enacts:

PART I. MORATORIUM ON OPPORTUNITY SCHOLARSHIPS

SECTION 1. Beginning with the 2025-2026 fiscal year, the State Education Assistance Authority shall not award any scholarship grant funds under Part 2A of Article 39 of Chapter 115C of the General Statutes to new persons who did not receive scholarship grant funds in the prior school year. It is the intent of the General Assembly to eliminate the program for awarding scholarship grants under Part 2A of Article 39 of Chapter 115C of the General Statutes beginning in the 2037-2038 school year or once all current recipients become ineligible for the receipt of scholarship grants.

PART II. REDUCE FUNDS FOR OPPORTUNITY SCHOLARSHIPS

SECTION 2.(a) G.S. 115C-562.8 reads as rewritten:

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

...

(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 for 15 years to 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	\$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	\$176,540,000
2024-2025	\$191,540,000
2025-2026	\$625,000,000
2026-2027	\$675,000,000



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1	2027-2028	\$700,000,000
2	2028-2029	\$725,000,000
3	2029-2030	\$750,000,000
4	2030-2031	\$775,000,000
5	2031-2032	\$800,000,000

For the ~~2032-2033~~ 2027-2028 fiscal year and each fiscal year thereafter, there is appropriated from the General Fund to the Reserve the sum of ~~eight hundred twenty-five million dollars (\$825,000,000)~~ five hundred forty-one million five hundred forty thousand dollars (\$541,540,000) 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.(b) Notwithstanding any other provision of law to the contrary, funds appropriated for the award of opportunity scholarship grants pursuant to Part 2A of Article 39 of Chapter 115C of the General Statutes are reduced as follows:

- (1) Of the recurring funds appropriated to the Board of Governors of The University of North Carolina for the opportunity scholarship program pursuant to S.L. 2021-180, by the sum of thirty million dollars (\$30,000,000) for the 2025-2026 fiscal year.
- (2) Of the funds appropriated to the Opportunity Scholarship Grant Fund Reserve for the 2024-2025 fiscal year and allocated from the Reserve for the award of scholarship grants in the 2025-2026 fiscal year, by the sum of twenty-eight million four hundred sixty thousand dollars (\$28,460,000) in nonrecurring funds for the 2025-2026 fiscal year.
- (3) Of the funds appropriated to the Opportunity Scholarship Grant Fund Reserve, as follows:
 - a. By the sum of eighty-three million four hundred sixty thousand dollars (\$83,460,000) in recurring funds for the 2025-2026 fiscal year.
 - b. By the sum of an additional fifty million dollars (\$50,000,000) in recurring funds for the 2026-2027 fiscal year.

SECTION 2.(c) It is the intent of the General Assembly that any funding increases in the 2027-2029 fiscal biennium and future biennia for the award of scholarship grant funds under Part 2A of Article 39 of Chapter 115C of the General Statutes will be limited to no more than the annual percentage increase in funding for public schools as reflected in the State Public School Fund.

PART III. FUNDS FOR PUBLIC SCHOOLS

SECTION 3. There is appropriated from the General Fund to the Department of Public Instruction the following amounts to be allocated to local school administrative units, based on average daily membership, to address the needs in our public schools:

- (1) For the 2025-2026 fiscal year, the sum of one hundred thirteen million four hundred sixty thousand dollars (\$113,460,000) in recurring funds and the sum of twenty-eight million four hundred sixty thousand dollars (\$28,460,000) in nonrecurring funds.
- (2) For the 2026-2027 fiscal year, the additional sum of fifty million dollars (\$50,000,000) in recurring funds.

PART IV. EFFECTIVE DATE

SECTION 4. This act becomes effective July 1, 2025, and applies beginning with the 2025-2026 school year.