

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 954

Short Title: Parental Choice in Education.

(Public)

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Sponsors: Representatives Wood; Watson, Sexton, and McComas.

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Referred to: Education.

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April 12, 1995

A BILL TO BE ENTITLED

AN ACT TO PERMIT PARENTS TO CHOOSE THE EDUCATIONAL SETTING  
THAT BEST HELPS THEIR CHILD LEARN.

Whereas, all children should be given an extended range of educational opportunity; and  
Whereas, all parents should select the educational program and school that best suits the  
needs of their children; and

Whereas, at-risk students should have educational options that may not be available to  
them in the public schools of their local school administrative units; Now, therefore,

The General Assembly of North Carolina enacts:

Section 1. This Act may be cited as the "Parental Choice in Education Act".

Sec. 2. Article 39 of Chapter 115C of the General Statutes is amended by  
adding a new Part to read:

**"PART 4. LEGISLATIVE TUITION GRANTS  
FOR CHILDREN ENROLLED ATTENDING NONPUBLIC SCHOOLS.**

**"§ 115C-567.1. Purpose.**

It is the purpose of this Part to enhance the quality of elementary and secondary school  
education by providing to all parents the opportunity of financial scholarships should they  
feel their child will be best served in a nonpublic school, while at the same time  
providing increased funding for the public schools.

**"§ 115C-567.2. Definitions.**

- 1           (1) 'Parent' means the natural or adoptive parent, or legal guardian of a  
2 dependent child eligible to attend the public schools of North Carolina.  
3           (2) 'Scholarship School' means any nonpublic school that is lawfully  
4 operated under the terms of Parts 1 or 2 of this Article, and which agrees  
5 to accept scholarships issued in accordance with this Part.  
6           (3) 'Scholarship' means a voucher issued by the North Carolina State  
7 Educational Assistance Authority to the parent of a child who would be  
8 eligible to attend the public schools of this State.

9 **"§ 115C-567.3. Vouchers.**

10       The parent of a child eligible to attend the public schools of this State who wishes to  
11 choose to send that child to a scholarship school shall apply to the North Carolina State  
12 Education Assistance Authority on or before July 15 for a scholarship for the next  
13 succeeding school year. Upon receipt of advice from a scholarship school that the child  
14 has been enrolled in that school, the North Carolina State Education Assistance Authority  
15 shall issue to the child's parent on or before September 15 of the school year, a voucher  
16 redeemable by the scholarship school. The total value of the voucher shall be the lesser  
17 of the regular tuition charges for that school or one thousand five hundred dollars  
18 (\$1,500).

19       The voucher shall be redeemable by the school in five equal payments on the 15th of  
20 October, December, February, April, and June. Should a child, once having matriculated,  
21 cease to attend or fail to attend the scholarship school, the school shall immediately  
22 notify the North Carolina State Education Assistance Authority and shall rebate the  
23 prorated amount of the last scholarship payment received.

24 **"§ 115C-567.4. Use of State funds for vouchers and for public schools.**

25       The State Board of Education shall allocate one thousand five hundred dollars  
26 (\$1,500) to the State Education Assistance Authority for each scholarship. The State  
27 Board of Education shall allocate the difference between one thousand five hundred  
28 dollars (\$1,500) and the statewide average per pupil allotted amount for the school year,  
29 based on the tenth-day average daily membership, to the local school administrative unit.

30 **"§ 115C-567.5. Eligibility for scholarships for the 1997-98 school year.**

31       For the 1997-98 school year, eligibility for scholarships shall be limited to students  
32 enrolled in public schools during the 1994-95 school year whose parents have elected for  
33 them to attend a scholarship school."

34       Sec. 3. Division II of Article 4 of Chapter 105 of the General Statutes is  
35 amended by adding a new section to read:

36 **"§ 105-151.11A. Education expenses credit.**

37       (a) Amount. – A taxpayer who is a resident of this State is allowed a credit against  
38 the tax imposed by this Division for each of the taxpayer's children over the age of five  
39 and under the age of 18 whom the taxpayer claims as a dependent under section 151 of  
40 the Code for the taxable year and who is lawfully educated for at least five months during  
41 the taxable year in a home school as defined in G.S. 115C-563 or in a public school at  
42 which tuition is charged in accordance with G.S. 115C-366.1. For a child who is  
43 educated for at least five months during the taxable year at a home school operated by the

1 taxpayer, the amount of credit allowed is two thousand four hundred eighty dollars  
2 (\$2,480). For a child who is educated in a public school at which tuition is charged, the  
3 amount of credit allowed is the amount of tuition the taxpayer paid to educate the child  
4 during the taxable year up to a maximum credit of three thousand one hundred dollars  
5 (\$3,100). For the purpose of this section, a taxpayer's child includes the taxpayer's  
6 daughter, stepdaughter, son, or stepson.

7 (b) Credit Refundable. – If the credit allowed by this section exceeds the amount  
8 of tax imposed by this Division for the taxable year reduced by the sum of all credits  
9 allowable, the Secretary shall refund the excess to the taxpayer. The refundable excess is  
10 governed by the provisions governing a refund of an overpayment by the taxpayer of the  
11 tax imposed in this Division. In computing the amount of tax against which multiple  
12 credits are allowed, nonrefundable credits are subtracted before refundable credits."

13 Sec. 4. Section 3 of this act is effective for taxable years beginning on or after  
14 January 1, 1996. The remainder of this act becomes effective January 1, 1996.