



NORTH CAROLINA
State Board of Education
Department of Public Instruction

Report to the North Carolina General Assembly

Opportunity Scholarships

§ *G.S. 115C-562.7(f)*

Date Due: 6/1/2025

DPI Chronological Schedule, 2024-2025

STATE BOARD OF EDUCATION

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I. INTRODUCTION

In accordance with G.S. §115C-562.7(f), the North Carolina Department of Public Instruction (DPI) is tasked annually with reporting the cumulative financial difference between the Opportunity Scholarship grant amount awarded to students who previously attended public schools and the average State per-pupil allocation for students enrolled in public school units.

The statute mandates: "The Department of Public Instruction shall report no later than April 1 of each year to the Joint Legislative Education Oversight Committee on the cumulative difference in the current school year between the scholarship grant award amount for each prior public school attendee enrolled in a nonpublic school and the average State -pupil allocation for average daily membership for a student in a public school unit." (G.S. §115C-562.7(f), as amended by Session Laws 2013-360, 2014-100, 2018-5, and 2023-134).

A "prior public-school attendee" is defined as any student receiving an Opportunity Scholarship who was enrolled in a North Carolina public-school unit for a majority of either the first or second month of the school year immediately before enrolling in a nonpublic school. Due to the enactment of Session Law 2024-55, SECTION 6.5A.(e), the General Assembly delayed the reporting deadlines for the 2024–2025 fiscal year: the North Carolina State Education Assistance Authority (NCSEAA) must submit the required data to DPI by April 1, 2025, and DPI must report to the Joint Legislative Education Oversight Committee by June 1, 2025.

II. METHODOLOGY

This section will describe how DPI made the calculations required in this report. The first part explains data cleaning and the process used to match the data received from NCSEAA to the NC Unique Statewide Identifier (UID) system to verify prior public-school enrollment. The second part discusses the amount used for the Opportunity Scholarship portion of the calculation, as determined by NCSEAA. The third part discusses timing.

Data

In March 2025, NCSEAA provided an initial student-level dataset for all students who were awarded scholarships in the fall and spring semesters of the 2024–25 school year as of the date the dataset was created. This dataset included demographic details, private school enrollment information, scholarship amounts, and state student identifiers (UIDs) where available.

After a preliminary analysis of the initial data provided, DPI requested additional data, such as county of residence, to be included in a second student level dataset which was provided in May 2025.

It is important to note that since NCSEAA does not require the collection or use of state UID, DPI employed various data-matching techniques to identify students with prior enrollment in any North Carolina public school during the first and second month of the 2023–2024 school year. Matching

was based on a combination of known UIDs, student name, date of birth, and county of residence. Three DPI data systems were used: the state’s operational data store, the longitudinal data system (CEDARS), and the state student UID system.

As a result, across ninety-six counties, 6,710 students were identified as having met the "prior public-school attendee" criteria. This represents approximately 8.4% of the total number of 80,325 Opportunity Scholarship recipients provided in the March 2025 dataset.

It is important to note that since NCSEAA does not require the use of a Unique Identifier (UID) for students, the figures presented in this report are considered rough estimates based on the best available information provided to the Department of Public Instruction.

OPPORTUNITY SCHOLARSHIP AWARD AMOUNT

G.S. §115C-562.2(b2) specifies the amount of Opportunity Scholarship funding a student is eligible to receive based on family income tier. The scholarship amount in each income tier is a percentage of the “average State per-pupil allocation for average daily membership in the prior fiscal year.” For the 2024-25 school year, the average state per-pupil allocation was \$7,467.26. The table below shows the award amounts by tier for the 2024-25 school year:

Table 1: Award amounts by tier, 2024-25

Tier	Family income as a percentage of federal free or reduced-price lunch income amount	Percentage of average State per-pupil allocation	FY 2024-25 Tier Amount
1	100%	100%	\$7,468
2	100% to 200%	90%	\$6,722
3	200% to 450%	60%	\$4,480
4	above 450%	45%	\$3,360

The scholarship funding a student receives depends on the tuition of the private school they attend and whether the student enrolls for the entire academic year. NCSEAA administers the Opportunity Scholarship program and determines award amounts. NCSEAA interpreted the “scholarship grant award amount” to mean the actual amount disbursed for each student. If a student received an award amount of \$7,686 but tuition at their school was only \$5,000, the student would receive \$5,000 in scholarship funding. This report would then treat their “scholarship grant award” as \$5,000, not the full scholarship amount they could have received based on their income tier.

TIMING

As referenced above, the statute requires DPI to calculate the “cumulative difference in the current school year” between a student’s “scholarship grant award” and the “average State per-pupil allocation.” Due to a combination of factors, the timing of this calculation is complicated. This report treats the year that a student first receives an opportunity scholarship as the same year a public school unit would see a corresponding reduction in funds due to that student no longer being enrolled in the public school.

In assembling this report, DPI labelled the prior year, in which the student was enrolled in a public school, as the Base Year. The next year, in which the student first receives the Opportunity Scholarship, is Year One. For this year’s report, the current school year, 2024-25, is Year One. The following year would then be Year Two. A diagram explaining the timing is shown below.

Table 2: Timeline definitions

Base Year	Year One	Year Two
FY 2023-24	FY 2024-25	FY 2025-26
Student enrolled in public school	Student receives OPS (in private school)	Student receives OPS (in private school)

The scholarship award amount is set at the “average State per-pupil allocation for average daily membership in the prior fiscal year.” Because the scholarship amount is based on the previous year’s average allotted amount (the Base Year amount), the actual amount of funding that the student would generate for a public school unit in Year One would vary based on budget and funding changes between the Base Year and Year One. For Example, the average state per-pupil allocation in the Base Year for this report (FY 2023-24) was \$7,467.26. However, the amount increased in Year One (FY 2024-25) to \$7,686.

Additionally, because public schools are funded in arrears starting this school year, 2024-25, a public school would not see any impact from the student no longer being in membership until Year Two. This is because the average daily membership (ADM) used to calculate allotments for the student in Year One will be based on the public school unit’s best of month one or month two ADM in the Base Year. In Year One, the student is being funded in both the public school unit that they were enrolled in during the Base Year and through the Opportunity Scholarship program. The student would no longer be in membership at the public school in Year One and thus would not generate any funding for the public school in Year Two.

GIVEN THE COMPLEXITY OF THE TIMING, THIS REPORT COMPRESSES THE TIMESPAN INTO A SINGLE YEAR. THE CALCULATION IS DONE WITH THE SIMPLIFICATION THAT THE FIRST YEAR IN WHICH THE STUDENT RECEIVES THE OPPORTUNITY SCHOLARSHIP AWARD IS THE SAME YEAR THAT THE PUBLIC SCHOOL WOULD SEE A CORRESPONDING DECREASE IN FUNDING.

ADDITIONALLY, THE BASE YEAR AVERAGE STATE PER-PUPIL ALLOCATION IS USED. THEREFORE, THE REPORT EFFECTIVELY COLLAPSES THE BASE YEAR AND YEAR TWO FOR THE PURPOSES OF THE REQUIRED CALCULATION.

III. RESULTS

Of the 80,325 2024-25 Opportunity Scholarship recipients whose data DPI received from NCSEAA, 6,710 (8.4%) could be matched to student records showing they were North Carolina public school attendees in the first or second month of the 2023-24 school year. Some of the other Opportunity Scholarship students may have attended a North Carolina public school in years prior to the 2023-24 school year, but that is outside the scope of this report. Of recipients who attended public school in the fall of 2023, 5,955 (7.4%) received a Fall opportunity scholarship award. In order to calculate the cumulative difference between these awards and the State per-pupil allocation, DPI counted only those students who received a Fall award. Students who received only a Spring award would have been enrolled in public school during the first or second month of the 2024-25 school year, meaning that the public school unit would still receive funding for that student in the 2025-26 school year. The 755 students who fell into this Spring-only category will likely be part of next year’s report, should they continue to receive the Opportunity Scholarship.

For the 5,955 students that were enrolled in public school in Month 1 or Month 2 of the 2023-24 school year and received an Opportunity Scholarship in Fall 2024, the difference between the scholarship grant award amount and the average State per-pupil allocation was \$10,092,663, as shown in the table below.

Table 3. Difference between scholarship grant award and average state per-pupil allocation for opportunity scholarship recipients enrolled in NC public schools, Fall 2023-24

Semester Received	Number of Students	Total Scholarship \$ Awarded	Average State Per-pupil Allocation	Difference between Scholarship and State PPE
Fall or Full Year	5,955	\$34,374,870	\$44,467,533	\$10,092,663
Spring Only	755	\$1,967,473	\$5,637,781	

The average State per-pupil allocation does not necessarily reflect the actual impact to each individual public school unit. The allotted amount generated by an individual student depends on the characteristics of that student (e.g., whether they are in grades K-3 and generate funds for teacher assistants) and the characteristics of the district (e.g., whether the LEA is eligible for low wealth supplemental funding). The statewide per-pupil average was used as specified in statute.

V. RECOMMENDATIONS

1. SEC. 7.82(C) OF S.L. 2023-134 STATES:

“It is the intent of the General Assembly to reinvest in the public schools any savings realized by the State each year, beginning in the 2025-2026 school year, because of the transfer of a student from a public school unit to a nonpublic school where the student accepts an opportunity scholarship grant award that is less than one hundred percent (100%) of the average State per-pupil allocation for average daily membership for a student in a public school unit.”

The amount needed for reinvestment in FY 2025-26 is \$10,092,663.

2. NC UNIQUE STATEWIDE IDENTIFIER (UID) SYSTEM

As explained above in the “Data” section, matching Opportunity Scholarship Recipients to a public school record for this report was difficult because NCSEAA does not use the Unique Statewide Identifier (UID) system. This system assigns a unique identifier to each student who attends a public school and follows those students between schools, even if they leave public schools in North Carolina and then return. DPI recommends that NCSEAA start using the UID system for Opportunity Scholarship recipients. NCSEAA did not provide student addresses to DPI, which made it more difficult to locate the recipients in the UID system. NCSEAA has all of the identifying information for the students based on the Opportunity Scholarship applications. NCSEAA could use the UID system to identify students that already have a UID and associate the UID with the student in their records. This would ensure that subsequent versions of this report accurately capture which students were public school attendees in the past.