



Issue Brief: Opportunity Scholarships

During the 2023-2024 biennium, the General Assembly began to incorporate accountability standards for the Opportunity Scholarship Program, but it lacks transparency and accessible information for parents to determine the quality of participating schools.

NCSBA Position & Recommendations

NCSBA recommends that the General Assembly **continue to implement accountability and transparency for the taxpayer and for parents of students receiving Opportunity Scholarships to allow them to better evaluate and compare educational options.** To give every student the opportunity to succeed in the environment that most suits their needs and aspirations, the ultimate goal of school choice, schools accepting Opportunity Scholarships should be producing comparably positive student outcomes.

Background

In 2013, the General Assembly enacted legislation establishing the Opportunity Scholarship Program.¹ **The Program originally provided state-funded vouchers worth up to \$4,200 per year for eligible, low-income students in kindergarten through 12th grade** (e.g., for a student from a family of four making up to \$44,123) to attend participating private schools.

Over the past 10 years, the General Assembly has made substantial investments in the Program from the State's General Fund.

- In 2017, the General Assembly increased the Program's budget every year until it reaches an annual allotment of \$144.8 million in 2027-28.
- In 2022, the State budget increased the Program's annual allotment even more to \$311.5 million by 2032-33.
- Most recently, in 2024, the General Assembly **increased the Program's budget every year until it reaches an annual allotment of \$825 million in 2032-33.**

The total amount of scholarship funding distributed for the 2024-25 school year was over \$382.8 million. Lawmakers also changed the household income eligibility from

¹ North Carolina General Statutes, G.S. 115C-562, accessed January 2025.

approximately \$60,000/year (133% of the free and reduced price lunch level) for a family of four in 2015-16 to a tiered award system with no income limit at all in 2024-2025.

The Program has seen significant growth in participation since the 2015-2016 school year, during which 3,460 students received scholarships across 349 participating private schools. As demand for the Program continued to rise over the years, a waitlist ultimately developed. When the waitlist was cleared in late 2024, 54,000 new Opportunity Scholarship applicants received a voucher offer for the 2024-2025 school year. **By February 2025, approximately 79,300 students were enrolled in over 640 participating private schools across North Carolina.**²

Since 2012, the year before vouchers were established, **the total number of private schools in North Carolina has increased** from 698, reaching a total of 881 private schools. 52 of those schools opened in 2024-2025. Despite the jump in private schools, there are still **11 counties with 0 private schools, 4 counties with 1 private school, and 17 counties with 2 private schools.** The geographic concentration of private school options and increasingly limited spread of well-established, accredited schools leaves some parents with few outlets and even less information to make a decision.

Further, many of these private schools accepting publicly-funded vouchers do not meet the needs that many low-income students require to attend school, such as transportation, breakfast and lunch, and disability services.

Despite expeditious expansion, **much remains unknown about the impact of vouchers on student performance.** The first study on voucher-student performance surfaced in 2017, but the data contained many shortcomings.³ A second study, conducted in 2020, addressed those shortcomings, using a different methodology, yet indicated that two primary challenges inhibited an analysis of the Program's effects.⁴

Currently, the accountability standards associated with the Program require participating private schools to administer and submit scores from any nationally normed standardized test of their choosing, whereas comparable public school students take the criterion-referenced state test, the North Carolina End-of-Grade

² Opportunity Scholarship Summary of Data, NCSEAA, accessed February 2025.

³ Children's Law Clinic, Duke Law School, 2017.

⁴ "An Analysis of the Effects of North Carolina's Opportunity Scholarship Program on Student Achievement," Anna Egalite, D.T. Stallings, & Stephen Porter, 2020.

(EOG) exam. At the end of the 2023-2024 legislative session, however, legislators charged The Office of Learning Research at UNC with studying and reporting recommendations for a nationally standardized test for use in third grade and one in eighth grade for both public schools and private schools receiving Opportunity Scholarships. For the purpose of comparing student performance, this is **a step in the right direction but remains down the timeline and only directly addresses third and eighth graders.**

As the Program continues to grow – in both participation and funding – parents, educators, and policymakers **should have access to performance comparison benchmarks and administrative transparency** to know whether this voucher program, funded by taxpayer dollars, is working.