



# **A Profile of Applicants to North Carolina's Opportunity Scholarship Program**

*Descriptive Data on 2016-17 Applicants*

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# Executive Summary

**Overview:** Enacted in 2013 and implemented in 2014-15, the North Carolina Opportunity Scholarship Program provides state-funded vouchers for eligible children in Kindergarten through twelfth grade worth up to \$4,200 per student, per year. This report draws on application data provided by the North Carolina Education Assistance Authority for the 2016-17 school year. By analyzing applicants' demographic information and other descriptive characteristics, including household income, we present a profile of who is applying to North Carolina's means-tested, publicly-funded, private school choice program.

- For the 2016-17 school year, 69 percent of all applicants were applying to the program for the first time and 31 percent were renewing a scholarship already received in a previous year.
- Over one-quarter of new applicants in 2016-17 were deemed eligible for the program but were unresponsive to NCSEAA's attempts at communication. As a result, these students were not awarded an Opportunity Scholarship.
  - Potential explanations for this discrepancy include: the parent's email address used at the time of application may have become inactive, or the cell phone number provided on the application form was no longer in service; applicants may have moved out of state; applicants may not have received admission to their desired private school; or applicants may have determined that private school tuition and fees would not be affordable, even with the assistance of the Opportunity Scholarship.
- Compared to public school students, voucher recipients are more likely to be in the elementary school grades of kindergarten through fifth grade and they are less likely to be in high school.
- Families that receive vouchers are among the lowest-income households in the state: The median *adjusted* household income\* is \$16,213 for new voucher recipients and \$15,000 for renewal recipients.
- In total, 1,976 new applicants and 110 renewal applicants were classified as ineligible in 2016-17.
  - For new applicants, the two most common reasons for ineligibility were that the student did not currently attend a North Carolina public school (51 percent) or that family income exceeded the statutorily-defined income cap for their given household size (42 percent).
  - For renewal applicants who were determined to be ineligible, the most common reason was an increase in family income, such that it exceeded the cap (88 percent).

\*Adjusted per-household-member income =  $household\ income / square\ root\ of\ household\ size$ ; this approach is commonly used by economists to account for household savings from economies of scale and resource-sharing.

## Introduction

The North Carolina State Education Assistance Authority (NCSEAA) provided a North Carolina State University research team with a dataset of applicants for North Carolina's Opportunity Scholarship program for the 2016-2017 school year. The dataset consists of 11,459 applications, and includes information on students' demographic information, household income, and final voucher status. We analyze these characteristics to build a profile of applicants to North Carolina's Opportunity Scholarship Program.

## Program Overview

The North Carolina Opportunity Scholarship Program provides state-funded vouchers for eligible children in Kindergarten through twelfth grade. Established by North Carolina General Statute 115C-562 in 2013 and administered by NCSEAA, the Opportunity Scholarship Program provides up to \$4,200 per year for an eligible student to attend a participating private school.<sup>1</sup> Awards are distributed one semester at a time and can be used for tuition and required fees at registered private schools.

The Opportunity Scholarship Program began in school year 2014-15, providing vouchers for 1,216 students to attend 224 private schools.<sup>2</sup> The program has experienced significant growth every year since then, with 3,460 recipients attending 313 private schools in 2015-16 and 5,432 recipients in 349 private schools in 2016-17.

Eligibility for the Opportunity Scholarship program is determined by several criteria. First, students must be North Carolina residents living in a household that does not exceed a statutorily-defined income cap, must not have graduated from high school or attended college, and must have turned five years old on or before August 31. The household income eligibility threshold is set at 133 percent of the eligibility threshold for the federal free and reduced-price lunch program for a partial scholarship and is set at 100 percent of the federal free and reduced-price lunch program for a full scholarship.<sup>3</sup> For a family of four, for example, maximum household gross income for 2016 could not exceed \$45,510 if a student applied for a full scholarship or \$60,528 for a partial scholarship.<sup>4</sup>

<sup>1</sup> Although the scholarship award has a maximum value of \$4,200, it cannot exceed the cost of tuition and fees, including books, equipment, transportation or other items required by the private school

<sup>2</sup> These data were published in NCSEAA's annual reports to the North Carolina legislature on the Opportunity Scholarship Program for the 2014-15 and 2015-16 academic years. Retrieved from <http://www.ncleg.net/documentsites/committees/JLEOC/Reports%20Received/2015%20Reports%20Received/Opportunity%20Scholarship%20Program.pdf> and <http://ncga.state.nc.us/documentsites/committees/JLEOC/Reports%20Received/2016%20Reports%20Received/Opportunity%20Scholarship%20Program%20Report%202016.pdf>

<sup>3</sup> A partial scholarship covers 90 percent of private school tuition

<sup>4</sup> See [http://www.ncseaa.edu/pdf/OPS\\_Overview.pdf](http://www.ncseaa.edu/pdf/OPS_Overview.pdf)

Second, students must be enrolled in a public school in North Carolina in the application year, be entering Kindergarten or first grade, or have previously received an Opportunity Scholarship. Students who do not meet any of these second criteria may still be eligible if they are in foster care or were adopted within the last year, or if at least one parent is on fulltime active duty with the military.

Total scholarship funding is set by the state budget. In 2014-15, \$4,635,320 was disbursed in scholarship funds, and in 2015-16, \$13,149,842 was disbursed in scholarship funds. Effective July 1 2017, the 2016 Appropriations Act calls for increasing funds by at least ten million dollars every year for ten years.<sup>5</sup>

When determining which students should receive scholarship funding, the statute dictates that priority must be given to renewal students who previously received a scholarship grant. After the renewal scholarships have been awarded, at least fifty percent of the remaining funds must be used to award grants to students who qualify for the free and reduced-price lunch program. Any remaining funds are distributed among the remaining eligible applicants, with no more than forty percent of the remaining funds directed to students entering Kindergarten or first grade. Any remaining funds are distributed among the remaining eligible applicants. All Opportunity Scholarship funding is awarded by a lottery system, but being selected by the lottery does not guarantee enrollment in a private school of choice, as students must also apply for admission at their preferred school separately.

To participate in the Opportunity Scholarship program, private schools must satisfy the requirements established by the state's Division of Non-Public Education for all private schools, they must register with NCSEEA, and they must conduct a criminal background check for the employee with the highest decision-making authority. Eligible private schools that receive more than \$300,000 in Opportunity Scholarship funds must also submit an annual financial review report that has been prepared by a certified public accountant. Finally, all participating private schools are required to administer a nationally-normed, standardized test of their choosing to all scholarship students in third grade and higher annually and to report these results to NCSEEA.

The Opportunity Scholarship program has faced two legal challenges, both of which alleged that the program violates the North Carolina Constitution: *Hart v. North Carolina* and *Richardson v. North Carolina*. Although the trial court ruled in favor of the plaintiffs, the North Carolina Supreme Court declared the program constitutional in a 4-3 decision in July 2015.

<sup>5</sup>See NCSEEA Opportunity Scholarship Program Summary of Data as of 2/1/17. Retrieved from [http://www.ncseea.edu/documents/OPS\\_Summary\\_Data.pdf](http://www.ncseea.edu/documents/OPS_Summary_Data.pdf)

# Results

## 1. What were final voucher award outcomes for 2016-17 applicants to the Opportunity Scholarship Program?

Student applicants to the Opportunity Scholarship Program consist of two over-arching types: new applicants to the program and previous recipients applying for a renewal of their voucher. For the 2016-17 school year, 69 percent applied to the program for the first time and 31 percent renewed a scholarship already received in a previous year (Table 1).

**Table 1. Student Applications to the Opportunity Scholarship Program, by Final Voucher Status**

Decision	Renewal Applicants		New Applicants	
	%	N	%	N
Accepted	-	-	34	2,719
Renewed	86	3,020	-	-
Declined	5	171	6	476
Ineligible	3	110	25	1,976
Unresponsive	6	201	27	2,175
Waitlist	0	0	8	611
Total	31	3,502	69	7,957

*Note: NCSEEA uses a more detailed final outcome status than the simplified version used for this report. The categories used here are defined as follows: "Accepted" refers to students who accepted and used a voucher or withdrew from school after payment had already been disbursed. "Renewed" refers to a previous recipient who accepted and used a voucher for another year. "Declined" refers to students who withdrew their application before notification, declined the voucher, or withdrew from a private school before payment was disbursed. "Ineligible" refers to students who did not meet the voucher eligibility guidelines. "Unresponsive" refers to students did not enroll in a participating private school or did not respond to NCSEEA communications about the voucher award. "Waitlist" refers to students who were placed on the waitlist and no voucher was awarded.*

Looking first at the 3,502 renewal applicants, the vast majority of students in this category (86 percent) successfully renewed their Opportunity Scholarship and used it to attend a participating private school again. A small percentage of renewal applicants were unresponsive (six percent)—indicating that they did not enroll in any participating private schools nor did they respond to NCSEAA communications about the voucher award—and five percent informed NCSEAA that they were declining the voucher offer. Three percent of students in the renewal category were deemed ineligible, which could happen if their family income grew to exceed the program’s eligibility threshold. In a companion report to this one, private school leaders describe anecdotes of Opportunity Scholarship parents strategically choosing whether or not to accept job opportunities to ensure they maintain eligibility for the program from year to year.<sup>6</sup>

Looking next at the 7,957 new applicants to the program for the 2016-17 school year, approximately one-third of students in this category (34 percent) accepted an Opportunity Scholarship. Perhaps surprisingly, over one-quarter of new applicants were deemed eligible for the program but were unresponsive to the NCSEAA’s attempts at communication (27 percent). Reasons for this are unclear, but it could be the case that the parent’s email address used at the time of application became inactive or the cell phone number provided on the application form was no longer in service. Another possible explanation is that some of these applicants may have moved out of state and did not notify NCSEAA, or perhaps these families did not receive admission to their desired private school and failed to inform NCSEAA. In a companion report to this one, some parents noted that they realized after applying to the program the cost of private school tuition, fees, and other unanticipated expenses such as school transportation and lunches would be too high, even with the assistance of the Opportunity Scholarship.<sup>7</sup>

About 25 percent of new applicants were deemed ineligible for the program, which implies that their family income did not fall below the eligibility threshold, the child was not currently attending a public school (which could be the case if the child was homeschooled or already attending a private school, for example), the child was not a North Carolina resident at the time of application, or some other explanation. Finally, a small percentage of students were either placed on a waiting list (eight percent) or explicitly declined the voucher (six percent). Of those students placed on the waiting list, all were applying for entry to Kindergarten or first grade. These students did not receive a voucher because the statute that governs the Opportunity Scholarship program specifies that no more than

<sup>6</sup>All of the reports related to this evaluation are publicly posted at <https://ced.ncsu.edu/elphd/research/the-impact-of-the-north-carolina-opportunity-scholarship-program/>. The school leader report referenced here is OS Evaluation Report #1: ‘School Leaders’ Voices: Private School Leaders’ Perspectives on the North Carolina Opportunity Scholarship Program’

<sup>7</sup>All of the reports related to this evaluation are publicly posted at <https://ced.ncsu.edu/elphd/research/the-impact-of-the-north-carolina-opportunity-scholarship-program/>. The parent report referenced here is OS Evaluation Report #2: ‘Parent Perspectives: Applicants to North Carolina’s Opportunity Scholarship Program Share Their Experiences’

40 percent of funding for new applicants can be directed towards students entering Kindergarten or first grade.

It is also possible to examine these data by student grade level (Table 2), which allows us to examine which grade levels serve as entry points into the voucher program. Among all first-time applicants, approximately half of these students (48 percent) applied for entry into the elementary grades. A further 21 percent applied for entry into the middle school grades and 17 percent applied for kindergarten entry. Just 14 percent of all new applicants applied for entry into the high school grades.

A similar distribution is visible among renewal applicants, with the majority of students (60 percent) applying to use a voucher in the elementary grades, 24 percent applying for the middle school grades, and 15 percent applying for the high school grades.

**Table 2. Applications by Final Voucher Status and Grade**

	Percentage of Applicants by Grade				Number of Applicants by Grade				
	KG	1-5	6-8	9-12	KG	1-5	6-8	9-12	Total
<i>New Applicants</i>									
Accepted	28	43	19	10	754	1,180	520	262	2,716
Declined	18	36	27	18	85	167	127	85	464
Ineligible	24	41	20	16	463	801	397	305	1,965
Unresponsive	13	46	23	17	279	992	499	375	2,145
Waitlist	59	41	0	0	361	250	0	0	611
All applicants	25	43	20	13	1,942	3,390	1,543	1,027	7,902
<i>Renewal Applicants</i>									
Renewed	1	61	24	14	33	1,842	715	430	3,020
Declined	1	55	25	19	1	91	42	32	166
Ineligible	0	60	23	17	0	66	25	19	110
Unresponsive	0	49	26	25	0	94	50	47	191
All applicants	1	60	24	15	34	2,093	832	528	3,487

*Note: Total applications sum to 11,389 due to missing data on applicant grade. No renewal applicants were placed on the waitlist.*

## 2. Where do the 2016-17 applicants reside?

We next examine the county of residence of all 2016-17 applicants (Table 3). These data can help shed light on those parts of the state that are experiencing the greatest demand for private school vouchers. This information may also point to those parts of the state where awareness of the program is highest and there is a relatively higher supply of participating private schools. The reader should note that for clarity, Table 3 combines “declined,” “unresponsive,” and “waitlisted” applications into one category called “eligible non-recipient.”

**Table 3. County of Residence by Voucher Status**

County	New Applicants				Renewal Applicants			
	Recipient	Eligible Non-Recipient	Ineligible	Total	Recipient	Eligible Non-Recipient	Ineligible	Total
Alamance	35	52	23	110	47	7	1	55
Alexander	6	3	1	10	1	0	0	1
Alleghany	2	3	1	6	1	0	0	1
Anson	3	4	0	7	13	0	0	13
Ashe	3	2	0	5	1	0	0	1
Avery	1	1	1	3	3	0	0	3
Beaufort	14	21	9	44	20	0	1	21
Bertie	9	10	12	31	4	0	0	4
Bladen	1	5	3	9	1	0	0	1
Brunswick	22	16	16	54	11	1	0	12
Buncombe	70	63	47	180	45	9	5	59
Burke	6	11	7	24	5	0	0	5
Cabarrus	47	79	47	173	39	8	2	49
Caldwell	6	6	8	20	10	0	0	10
Camden	1	0	1	2	1	0	0	1
Carteret	11	7	11	29	8	1	0	9

County	New Applicants				Renewal Applicants			
	Recipient	Eligible Non-Recipient	Ineligible	Total	Recipient	Eligible Non-Recipient	Ineligible	Total
Caswell	2	0	0	2	4	2	0	6
Catawba	35	20	25	80	17	4	0	21
Chatham	5	7	4	16	3	0	0	3
Cherokee	2	0	0	2	6	0	0	6
Chowan	4	4	2	10	2	0	0	2
Clay	2	2	3	7	1	0	0	1
Cleveland	19	14	9	42	19	3	2	24
Columbus	25	14	21	60	13	1	0	14
Craven	34	37	53	124	26	3	5	34
Cumberland	338	464	197	999	369	42	13	424
Currituck	10	4	1	15	4	4	0	8
Dare	0	4	0	4	0	0	1	1
Davidson	28	20	31	79	37	1	2	40
Davie	7	5	11	23	12	1	0	13
Duplin	9	12	4	25	10	1	0	11
Durham	98	128	78	304	124	17	5	146
Edgecombe	10	2	2	14	1	0	0	1
Forsyth	130	117	77	324	160	13	7	180
Franklin	24	16	4	44	12	1	0	13
Gaston	61	70	42	173	94	12	8	114
Gates	2	0	0	2	0	0	0	0
Graham	2	4	0	6	0	0	0	0
Granville	19	29	10	58	8	1	0	9

County	New Applicants				Renewal Applicants			
	Recipient	Eligible Non-Recipient	Ineligible	Total	Recipient	Eligible Non-Recipient	Ineligible	Total
Greene	7	13	3	23	1	0	0	1
Guilford	185	179	97	461	239	30	8	277
Halifax	5	9	2	16	11	1	0	12
Harnett	47	48	34	129	41	6	3	50
Haywood	4	7	2	13	4	0	0	4
Henderson	35	18	11	64	8	1	0	9
Hertford	2	2	7	11	4	0	0	4
Hoke	24	58	25	107	27	6	2	35
Hyde	0	1	2	3	0	0	0	0
Iredell	47	33	36	116	52	5	0	57
Jackson	5	3	1	9	4	2	0	6
Johnston	17	39	26	82	37	10	1	48
Jones	1	0	1	2	1	0	0	1
Lee	13	12	4	29	19	0	1	20
Lenoir	19	39	8	66	20	6	0	26
Lincoln	0	4	3	7	3	0	0	3
Macon	2	12	4	18	14	3	1	18
Madison	6	1	1	8	5	0	0	5
Martin	3	8	2	13	0	2	0	2
McDowell	18	16	15	49	14	0	0	14
Mecklenburg	227	394	219	840	262	25	6	293
Mitchell	10	14	1	25	28	1	0	29
Montgomery	7	11	15	33	1	0	0	1

County	New Applicants				Renewal Applicants			
	Recipient	Eligible Non-Recipient	Ineligible	Total	Recipient	Eligible Non-Recipient	Ineligible	Total
Moore	1	12	14	27	4	1	0	5
Nash	12	13	8	33	8	3	0	11
New Hanover	30	31	18	79	32	3	1	36
Northampton	7	9	12	28	10	0	0	10
Onslow	106	107	78	291	94	8	2	104
Orange	10	18	5	33	10	2	1	13
Pamlico	7	7	6	20	1	0	0	1
Pasquotank	11	18	33	62	11	3	0	14
Pender	7	10	0	17	4	0	0	4
Perquimans	7	7	5	19	5	0	0	5
Person	5	7	1	13	2	0	1	3
Pitt	29	53	19	101	25	3	1	29
Polk	0	0	2	2	3	0	0	3
Randolph	75	47	60	182	56	8	4	68
Richmond	7	7	7	21	14	0	0	14
Robeson	33	39	23	95	42	6	0	48
Rockingham	27	15	12	54	29	4	4	37
Rowan	31	62	39	132	53	3	1	57
Rutherford	30	13	11	54	33	5	0	38
Sampson	20	19	14	53	35	3	0	38
Scotland	3	11	2	16	3	0	0	3
Stanly	9	14	5	28	13	1	0	14
Stokes	2	4	5	11	6	0	0	6

County	New Applicants				Renewal Applicants			
	Recipient	Eligible Non-Recipient	Ineligible	Total	Recipient	Eligible Non-Recipient	Ineligible	Total
Surry	10	6	1	17	14	0	0	14
Swain	1	0	0	1	0	0	0	0
Transylvania	7	0	5	12	8	0	0	8
Tyrell	0	0	0	0	0	0	0	0
Union	58	67	35	160	82	10	3	95
Vance	6	12	7	25	16	9	1	26
Wake	266	377	212	855	386	51	11	448
Warren	2	2	1	5	1	2	0	3
Washington	7	10	4	21	5	0	0	5
Watauga	0	0	1	1	1	0	0	1
Wayne	70	40	19	129	53	7	4	64
Wilkes	5	9	14	28	12	0	1	13
Wilson	27	33	14	74	13	5	0	18
Yadkin	0	3	4	7	6	1	0	7
Yancey	4	3	0	7	3	0	0	3
Total	2,719	3,262	1,976	7,957	3,020	368	109	3,497

*Note: Totals do not match Table 1 because five renewal applicants are missing data on county of residence.*

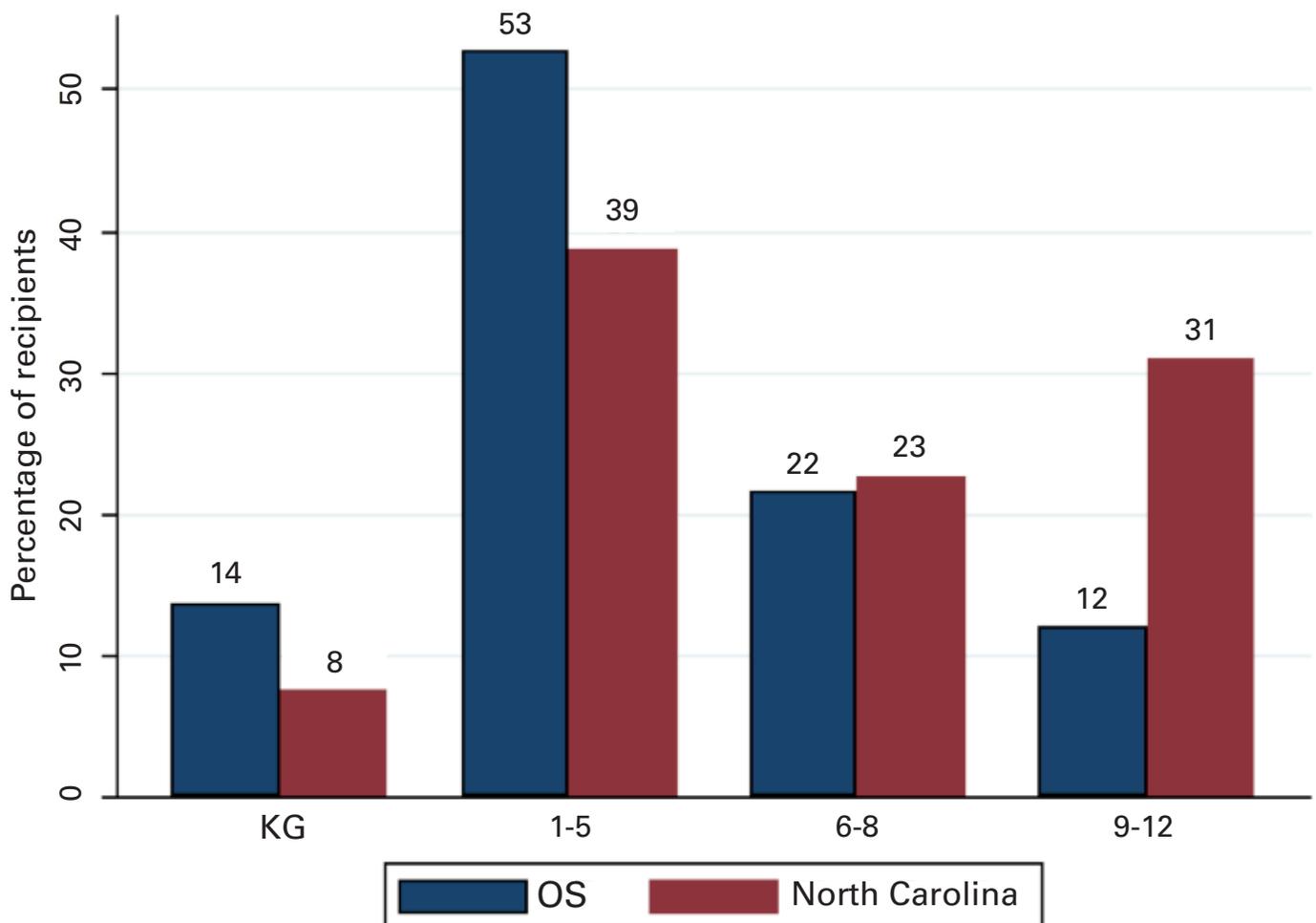
Perhaps unsurprisingly, the most populous counties in the state— Mecklenburg and Wake counties—are towards the top of the list of counties with the highest number of applicants for the Opportunity Scholarship Program, likely a reflection of higher overall populations in these two counties and a greater number of participating private schools. Also of note, however, is that Cumberland county had the highest number of new applicants in 2016-17 (n = 999).

### 3. What are the characteristics of voucher recipients?

While the previous section focused on the distribution of all voucher applicants across North Carolina's counties, we now focus exclusively on those students who actually used a voucher in 2016-17 to better understand the demographic characteristics of this group.

Figure 1 shows the distribution of grade levels for the 2016-17 voucher recipients, compared to all public school students in North Carolina. Relative to public school students, voucher recipients are more likely to be in the elementary school grades of kindergarten through fifth grade and they are less likely to be in high school. Specifically, only 12 percent of voucher recipients are in high school, versus 31 percent of public school students in the state.

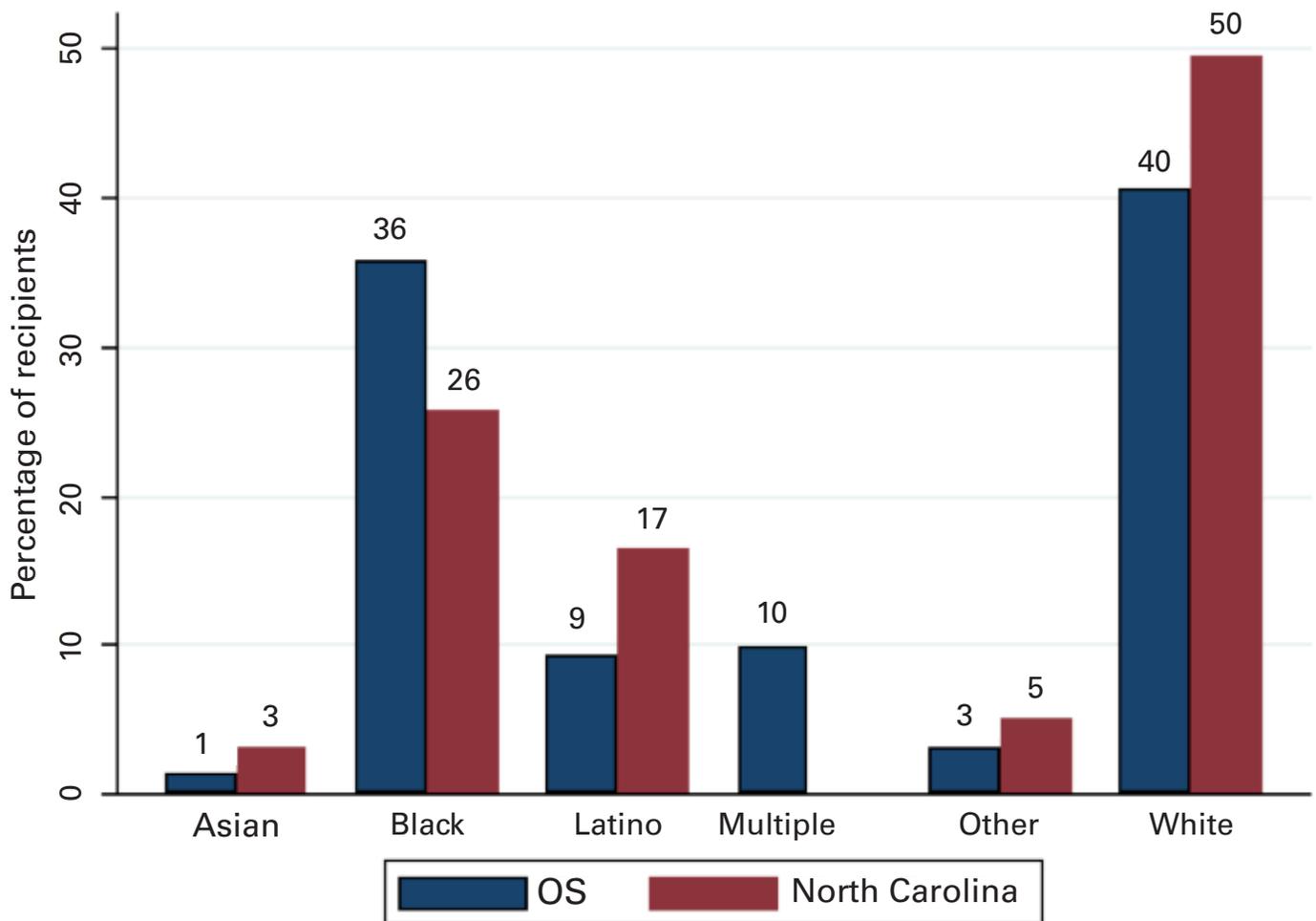
**Figure 1.** Grade Levels of All Voucher Recipients in the 2016-17 School Year



Note: State data are from 2015-2016 (<http://www.ncpublicschools.org/fbs/resources/data/>). OS stands for Opportunity Scholarship students. The North Carolina bar identifies the percentage of all public school students in the state in each category.

We can also compare the race/ethnicity of voucher recipients to that of all public school students in the state (Figure 2). Voucher recipients are less likely to be White (40 percent versus 50 percent) or Latino (9 percent versus 17 percent), and more likely to be Black (36 percent versus 26 percent). It is important to note, however, that not all public school students in the state are eligible to participate in this program. The ideal comparison group would be the population of voucher-eligible non-recipients who meet the requirements for family income, prior public school attendance, or other entry pathways such as qualifying because a child is in foster care, has been adopted, or has a parent on active military duty.

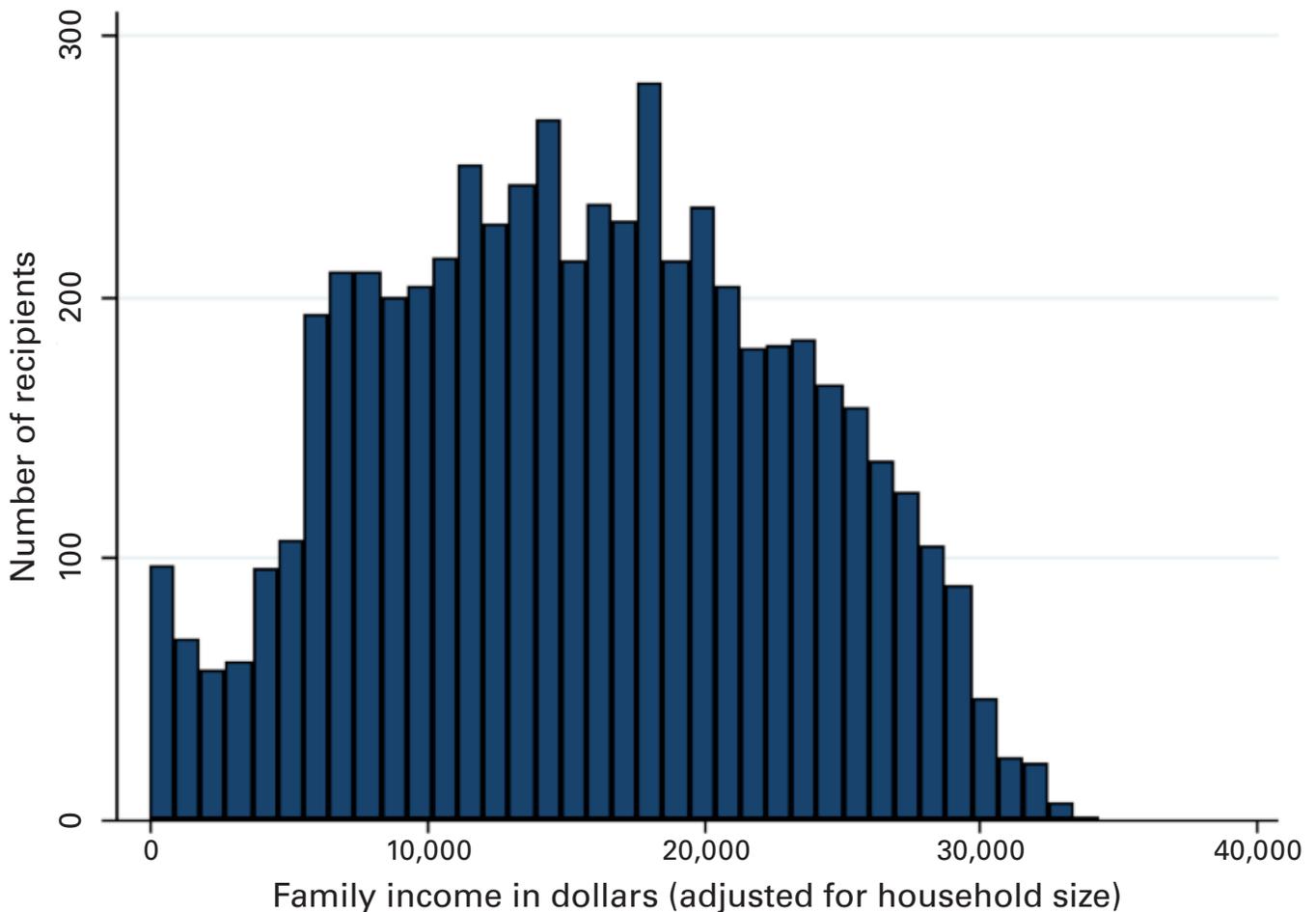
**Figure 2. Race/Ethnicity of Voucher Recipients**



Note: State data are from 2015-2016 (<http://www.ncpublicschools.org/docs/fbs/resources/data/factsfigures/2015-16figures.pdf>). The state does not report a "multiple" race category. OS stands for Opportunity Scholarship students. The North Carolina bar identifies the percentage of all public school students in the state in each category.

It is also informative to analyze the household income distribution of all voucher recipients. To be eligible for the Opportunity Scholarship program, household income requirements vary by household size, e.g., \$30,044 for a household size of two (e.g., a single parent with one child) and \$60,976 for a household size of six (e.g., two parents with four children).<sup>8</sup> To make household incomes comparable across different household sizes, we adopted the common practice of dividing household income by the square root of household size.<sup>9</sup> This is preferable to just dividing household income by the number of individuals residing in a household to generate a “per-capita” income because it accounts for economies of scale, such as savings resulting from carpooling or sharing resources in other ways. Thus, Figure 3 shows the distribution of adjusted household income for voucher recipients. As can be seen, families that receive vouchers are among the lowest-income households in the state, which is a direct result of how the policy was designed to target disadvantaged families.

**Figure 3. Adjusted Household Income of all Voucher Recipients in 2016-17**



Note: Household income has been divided by the square root of household size  
 A table of unadjusted household income ranges for each household size is included in an Appendix

<sup>8</sup>See [http://www.ncseaa.edu/pdf/OPS\\_Overview.pdf](http://www.ncseaa.edu/pdf/OPS_Overview.pdf).

<sup>9</sup>See <http://www.pewsocialtrends.org/2011/10/03/appendix-b-adjusting-household-income-for-household-size>.

Table 4 provides additional information on this question, showing that the median adjusted household income is \$16,213 for new voucher recipients and \$15,000 for renewal recipients. Unsurprisingly, ineligible families have the highest median adjusted household income, at \$25,789. Unresponsive families have the lowest median adjusted household income, at \$13,856, a statistic that may offer more insight into the characteristics of a group of parents that have proven particularly challenging for NCSEAA to communicate with.

**Table 4. Median Adjusted Household Income by Final Voucher Status**

Decision	Income
Accepted	\$16,213
Renewed	\$15,000
Declined	\$17,008
Ineligible	\$25,789
Unresponsive	\$13,856
Waitlist	\$15,588
All applicants	\$16,252

*Note: n = 11,458. The categories used here are defined as follows: "Accepted" refers to students who accepted and used a voucher or withdrew from school after payment had already been disbursed. "Renewed" refers to a previous recipient who accepted and used a voucher for another year. "Declined" refers to students who withdrew their application before notification, declined the voucher, or withdrew from a private school before payment was disbursed. "Ineligible" refers to students who did not meet the voucher eligibility guidelines. "Unresponsive" refers to students did not enroll in a participating private school or did not respond to NCSEAA communications about the voucher award. "Waitlist" refers to students who were placed on the waitlist and no voucher was awarded. A table of unadjusted household income ranges for each household size is included in an Appendix*

#### **4. Why do some applicants not receive vouchers?**

Not all students who applied for private school vouchers through the Opportunity Scholarship Program in 2016-17 ultimately ended up using a voucher. Table 1 shows that three percent of renewal applicants and 25 percent of new applicants were deemed ineligible. In this section, we examine the specific reasons why these applicants were not ineligible to participate in the program (Table 5). In total, there were 1,976 new applicants and 110 renewal applicants classified as ineligible in 2016-

17. For new applicants, the two most common reasons for ineligibility were that the student did not currently attend a North Carolina public school (51 percent) or that family income exceeded the statutorily-defined income cap for their given household size (42 percent). A further 15 percent of new applicants were ineligible because the child was not yet five years old.<sup>10</sup> For the 110 renewal applicants determined to be ineligible for an Opportunity Scholarship in 2016-17, the most common reason was a change in family income, such that it exceeded the cap (88 percent). In a companion report, we interview parents of voucher users about this phenomenon, and report qualitative insights on this topic gleaned from focus groups, interviews, and surveys.<sup>11</sup>

**Table 5. Reasons for Voucher Ineligibility**

	New Applicants		Renewal Applicants	
	%	N	%	N
Not in NC public school prior to application	51	999	0	0
Family income too high	42	837	88	99
Student under age 5	15	298	0	0
Not NC resident	3	66	3	3
Has high school diploma	2	33	4	4
Total number of ineligible applications		1,976		110

*Note: Percentages do not sum to 100% because applications could be ineligible for multiple reasons. Four renewal applicants in this category have missing data for their ineligibility reason.*

<sup>10</sup>These statistics do not sum to 100 percent because these categories are not mutually exclusive; families could be deemed ineligible for the program for multiple reasons

<sup>11</sup>All of the reports related to this evaluation are publicly posted at <https://ced.ncsu.edu/elphd/research/the-impact-of-the-north-carolina-opportunity-scholarship-program/>. The parent report referenced here is OS Evaluation Report #2: 'Parent Perspectives: Applicants to North Carolina's Opportunity Scholarship Program Share Their Experiences'

## Conclusion

Analyses of student application data in this report help shape a profile of applicants to North Carolina's Opportunity Scholarship Program. In the 2016-17 school year, 69 percent of students were applying to the program for the first time and 31 percent were renewing a scholarship already received in a previous year.

Curiously, over one-quarter of the new applicants in 2016-17 were deemed eligible for the program but were unresponsive to NCSEEA's attempts at communication. As a result, these students were not awarded an Opportunity Scholarship. It is possible that some of these students moved out of state or decided to stay in the public school system. It could also be the case, however, that this population was hard to track down because they used an email address and/or cell phone number during the application process that subsequently became inactive.

In terms of demographic characteristics of voucher recipients, compared to public school students they are more likely to be in the elementary school grades of kindergarten through fifth grade and they are less likely to be in high school. Further, families of voucher recipients are among the lowest-income households in the state. The median **adjusted** household income is \$16,213 for new voucher recipients and \$15,000 for renewal recipients.

Finally, looking at those applicants deemed ineligible for the program, one-quarter of new applicants and three percent of renewal applicants fell into this category. For new applicants, the two most common reasons for ineligibility were that the student did not currently attend a North Carolina public school (51 percent) and that family income exceeded the statutorily-defined income cap for their given household size (42 percent). For renewal applicants, the most common reason was an increase in family income, such that it exceeded the cap (88 percent).

## Future Research

Many questions remain about the impacts of the Opportunity Scholarship Program and the experiences and perceptions of various groups that are affiliated with North Carolina's private school voucher program. For example, will the data presented in this report remain representative of applicant trends across years, or will the characteristics of families who pursue vouchers change over time? In addition, it is important to examine how students are affected by this program, which will require an academic impact analysis and a competitive effects analysis. How does the achievement of participating and non-participating students change as a result of the program? Further, what is the fiscal impact of the program? These questions and more represent fruitful avenues for future research.

# Appendix

*Mean Household Income by Household Size, 2016-17*

Family Size	Percentiles of Family Income			n
	5th	50th (Median)	95th	
2	\$5,000	\$20,404	\$36,000	544
3	\$4,000	\$24,000	\$45,316	1013
4	\$8,600	\$32,000	\$55,000	1525
5	\$8,400	\$36,000	\$64,149	1350
6	\$14,071	\$40,000	\$72,000	806
7	\$10,500	\$41,141	\$77,602	282
<b>8 or More</b>	\$19,000	\$50,000	\$90,831	219
<b>All Families</b>	\$7,144	\$31,485	\$64,355	5739

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