

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019**

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**HOUSE BILL 241
Committee Substitute Favorable 3/5/19
PROPOSED COMMITTEE SUBSTITUTE H241-PCS40136-TCx-3**

Short Title: Education Bond Act of 2019.

(Public)

Sponsors:

Referred to:

March 4, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO ENACT THE EDUCATION BOND ACT OF 2019.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.(a)** Short Title. – This act shall be known as the "Education Bond Act
5 of 2019."

6 **SECTION 1.(b)** Purpose. – It is the intent of the General Assembly by this act to
7 provide, subject to a vote of the qualified voters of the State, for the issuance of one billion nine
8 hundred million dollars (\$1,900,000,000) general obligation bonds of the State for the purpose
9 of providing funds, with any other available funds, (i) for public school facilities through grants
10 to counties for public school capital outlay projects and repairs and renovations, in the amount
11 of one billion five hundred million dollars (\$1,500,000,000), (ii) for community college facilities
12 for community college capital outlay projects and repairs and renovations, in the amount of two
13 hundred million dollars (\$200,000,000), and (iii) for The University of North Carolina facilities
14 for capital outlay projects for constituent institutions and repairs and renovations at such
15 institutions, in the amount of two hundred million dollars (\$200,000,000).

16 **SECTION 1.(c)** Definitions. – Unless the context otherwise requires, the following
17 definitions apply in this act:

18 (1) Bonds. – Bonds issued under this section.

19 (1a) Capital outlay project for a constituent institution. – A project for any of the
20 following:

- 21 a. Construction of one or more new buildings located at a constituent
22 institution of The University of North Carolina.
- 23 b. Renovation of one or more existing buildings located at a constituent
24 institution of The University of North Carolina.
- 25 c. Construction, acquisition, and installation of technology infrastructure
26 at or in support of a constituent institution of The University of North
27 Carolina.
- 28 d. Acquisition and installation of equipment for a building located at a
29 constituent institution of The University of North Carolina that will be
30 used for an instructional or related purpose.
- 31 e. Purchase of land necessary for construction to commence within 24
32 months of one or more buildings at a constituent institution of The
33 University of North Carolina.



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- 1 f. Other related capital outlay projects to provide facilities for individual
2 constituent institutions of The University of North Carolina that are
3 used for instructional or related purposes.
4 The term does not include projects for facilities for centralized administration,
5 trailers, relocatable classrooms, or mobile classrooms.
- 6 (1b) Community college capital outlay project. – A project for any of the
7 following:
8 a. Construction of one or more new community college buildings located
9 on a community college campus.
10 b. Renovation of one or more existing community college buildings.
11 c. Construction, acquisition, and installation of the enterprise resource
12 planning information technology in support of the North Carolina
13 Community College System and its community colleges.
14 d. Construction, acquisition, and installation of technology infrastructure
15 at or in support of a community college.
16 e. Acquisition and installation of equipment for a community college
17 building that will be used for an instructional or related purpose.
18 f. Purchase of land necessary for construction to commence within 24
19 months of one or more community college buildings.
20 g. Other related capital outlay projects to provide facilities for individual
21 community college campuses that are used for instructional or related
22 purposes.
23 The term does not include projects for facilities for centralized administration,
24 trailers, relocatable classrooms, or mobile classrooms.
- 25 (2) Cost. – Without intending thereby to limit or restrict any proper definition of
26 this term in financing the cost of any capital outlay projects as authorized by
27 this act, any of the following:
28 a. The cost of constructing, reconstructing, enlarging, acquiring, and
29 improving projects and acquiring equipment and land therefor.
30 b. The cost of engineering, architectural, and other consulting services as
31 may be required.
32 c. Administrative expenses and charges, including expenses related to
33 determining compliance with applicable requirements of federal law
34 and expenses relating to issuance. Nothing in this section shall permit
35 use of bond funds to pay salaries or fees for bond administration; such
36 salaries and fees shall come from funds appropriated by the General
37 Assembly.
38 d. Finance charges and interest prior to and during construction and, if
39 deemed advisable by the State Treasurer, for a period not exceeding
40 three years after the estimated date of completion of construction.
41 e. The cost of bond insurance, investment contracts, credit enhancement
42 and liquidity facilities, interest rate swap agreements or other
43 derivative products, financial and legal consultants, and related costs
44 of bond and note issuance, and costs incurred by the State in
45 administering the bond issues, including costs of trustees, escrow
46 agents, arbitrage rebate liability consultants, securities disclosure
47 counsel or similar securities disclosure consultants, tax consultants
48 and financial advisors, to the extent and as determined by the State
49 Treasurer.
50 f. The cost of reimbursing the State for any payments made for any cost
51 described in this subdivision.

- 1 g. Any other costs and expenses necessary or incidental to the purposes
2 of this act.
- 3 Allocations in this section of proceeds of bonds to the costs of a project or
4 undertaking in each case may include allocations to pay the costs set forth in
5 sub-subdivisions c. through g. of this subdivision in connection with the
6 issuance of bonds for the project or undertaking.
- 7 (3) Credit facility agreement. – An agreement entered into by the State Treasurer
8 on behalf of the State with a bank, savings and loan association, or other
9 banking institution; an insurance company, reinsurance company, surety
10 company, or other insurance institution; a corporation, investment banking
11 firm, or other investment institution; or any financial institution or other
12 similar provider of a credit facility agreement, which provider may be located
13 within or without the United States of America, such agreement providing for
14 prompt payment of all or any part of the principal or purchase price (whether
15 at maturity, presentment or tender for purchase, redemption, or acceleration),
16 redemption premium, if any, and interest on any bonds or notes payable on
17 demand or tender by the owner, in consideration of the State agreeing to repay
18 the provider of the credit facility agreement in accordance with the terms and
19 provisions of such agreement.
- 20 (4) Notes. – Notes issued under this act.
- 21 (5) Par formula. – Any provision or formula adopted by the State to provide for
22 the adjustment, from time to time, of the interest rate or rates borne by any
23 bonds or notes, including the following:
- 24 a. A provision providing for such adjustment so that the purchase price
25 of such bonds or notes in the open market would be as close to par as
26 possible;
- 27 b. A provision providing for such adjustment based upon a percentage or
28 percentages of a LIBOR rate, a prime rate, or base rate, which
29 percentage or percentages may vary or be applied for different periods
30 of time; or
- 31 c. Such other provision as the State Treasurer may determine to be
32 consistent with this act and will not materially and adversely affect the
33 financial position of the State and the marketing of bonds or notes at a
34 reasonable interest cost to the State.
- 35 (6) Public school capital outlay project. – A project for any of the following:
- 36 a. Construction of one or more new public school buildings.
- 37 b. Renovation of one or more existing public school buildings.
- 38 c. Construction, acquisition, and installation of technology infrastructure
39 for a public school building.
- 40 d. Acquisition and installation of equipment or fixtures to ensure
41 building security for a public school building.
- 42 e. Acquisition and installation of equipment for a public school building
43 that will be used for an instructional or related purpose.
- 44 f. Purchase of land necessary for construction to commence within 24
45 months of one or more public school buildings.
- 46 g. Other related capital outlay projects to provide facilities for individual
47 public schools that are used for instructional or related purposes.
- 48 The term does not include projects for facilities for centralized administration,
49 trailers, relocatable classrooms, or mobile classrooms.
- 50 (7) State. – The State of North Carolina.

SECTION 1.(d) Authorization of Bonds and Notes. – Subject to a favorable vote of a majority of the qualified voters of the State who vote on the question of issuing bonds for capital outlay projects for public schools and for capital outlay projects funds for community colleges and The University of North Carolina in the election called and held as provided in this act, the State Treasurer is hereby authorized, by and with the consent of the Council of State, to issue and sell, at one time or from time to time, general obligation bonds of the State to be designated "State of North Carolina Education Bonds," with any additional designations as may be determined to indicate the issuance of bonds from time to time, or notes of the State as provided in this act, in an aggregate principal amount not exceeding one billion nine hundred million dollars (\$1,900,000,000) for the purpose of providing funds, with any other available funds, for the purposes authorized in this act. The principal amounts of bonds or notes issued in any 12-month period shall not exceed five hundred ninety-one million dollars (\$591,000,000). In determining whether this limit has been reached, the issuance of a note or bond to pay an outstanding note is not considered an issuance.

SECTION 1.(e) Use of Education Bond and Note Proceeds. –

(1) Subject to the provisions of subdivision (2) of this subsection, one billion five hundred million dollars (\$1,500,000,000) of the proceeds of education bonds and notes, including premium thereon, if any, shall be used for the purpose of making grants to counties for paying the cost of public school capital outlay projects and repairs and renovations in the following general amounts set forth in this subdivision. Any additional monies that may be received by means of a grant or grants from the United States of America or any agency or department thereof or from any other source to aid in financing the cost of public school capital outlay projects authorized by this act may be placed by the State Treasurer in the Education Bonds Fund or in a separate account or fund and shall be disbursed, to the extent permitted by the terms of the grant or grants, without regard to limitations imposed by this act.

LEA	ADM	Low-Wealth County	ADM Growth	Adjustment Factor	Total
Alamance-Burlington Schools	\$ 4,011,009	\$11,774,969	\$ 536,440	\$0	\$16,322,418
Alexander County Schools	\$ 844,052	\$ 5,393,020	\$0	\$ 3,762,928	\$10,000,000
Alleghany County Schools	\$ 236,419	\$0	\$0	\$ 9,763,581	\$10,000,000
Anson County Schools	\$ 560,349	\$ 4,829,715	\$0	\$ 4,609,936	\$10,000,000
Ashe County Schools	\$ 523,827	\$0	\$0	\$ 9,476,173	\$10,000,000
Avery County Schools	\$ 338,220	\$0	\$0	\$ 9,661,780	\$10,000,000
Beaufort County Schools	\$ 1,134,106	\$ 2,093,891	\$0	\$ 6,772,003	\$10,000,000
Bertie County Schools	\$ 371,213	\$ 3,171,842	\$0	\$ 6,456,945	\$10,000,000
Bladen County Schools	\$ 727,077	\$ 5,497,313	\$0	\$ 3,775,610	\$10,000,000
Brunswick County Schools	\$ 2,200,286	\$0	\$0	\$ 7,799,714	\$10,000,000
Buncombe County Schools	\$ 4,168,034	\$0	\$0	\$ 4,286,925	\$ 8,454,959

1	Asheville City					
2	Schools	\$ 761,658	\$0	\$0	\$ 783,384	\$ 1,545,042
3	Burke County					
4	Schools	\$ 2,093,191	\$12,570,359	\$0	\$0	\$14,663,550
5	Cabarrus County					
6	Schools	\$ 5,823,673	\$0	\$27,614,468	\$0	\$33,438,141
7	Kannapolis City					
8	Schools	\$ 959,438	\$ 846,734	\$ 1,438,635	\$0	\$ 3,244,807
9	Caldwell County					
10	Schools	\$ 2,002,329	\$11,544,037	\$0	\$0	\$13,546,366
11	Camden County					
12	Schools	\$ 327,811	\$ 890,833	\$0	\$ 8,781,356	\$10,000,000
13	Carteret County Public					
14	Schools	\$ 1,429,101	\$0	\$0	\$ 8,570,899	\$10,000,000
15	Caswell County					
16	Schools	\$ 434,200	\$ 3,140,147	\$0	\$ 6,425,653	\$10,000,000
17	Catawba County					
18	Schools	\$ 2,797,332	\$0	\$0	\$ 4,133,815	\$ 6,931,147
19	Hickory City					
20	Schools	\$ 719,314	\$0	\$0	\$ 1,062,981	\$ 1,782,295
21	Newton Conover City					
22	Schools	\$ 519,240	\$0	\$0	\$ 767,317	\$ 1,286,557
23	Chatham County					
24	Schools	\$ 1,558,425	\$0	\$ 6,376,321	\$ 2,065,254	\$10,000,000
25	Cherokee County					
26	Schools	\$ 553,291	\$ 1,413,119	\$0	\$ 8,033,590	\$10,000,000
27	Edenton-Chowan					
28	Schools	\$ 345,278	\$ 1,040,793	\$0	\$ 8,613,930	\$10,000,001
29	Clay County					
30	Schools	\$ 223,892	\$0	\$0	\$ 9,776,108	\$10,000,000
31	Cleveland County					
32	Schools	\$ 2,527,391	\$13,516,386	\$0	\$0	\$16,043,777
33	Columbus County					
34	Schools	\$ 974,611	\$ 9,818,151	\$0	\$0	\$10,792,762
35	Whiteville City					
36	Schools	\$ 392,385	\$ 3,982,294	\$0	\$0	\$ 4,374,679
37	Craven County					
38	Schools	\$ 2,388,186	\$ 3,835,943	\$0	\$ 3,775,871	\$10,000,000
39	Cumberland County					
40	Schools	\$ 8,834,489	\$28,236,792	\$0	\$0	\$37,071,281
41	Currituck County					
42	Schools	\$ 715,256	\$0	\$ 2,584,665	\$ 6,700,079	\$10,000,000
43	Dare County					
44	Schools	\$ 907,038	\$0	\$ 2,548,090	\$ 6,544,872	\$10,000,000
45	Davidson County					
46	Schools	\$ 3,315,161	\$10,754,088	\$0	\$0	\$ 14,069,249
47	Lexington City					
48	Schools	\$ 526,297	\$ 1,724,754	\$0	\$0	\$ 2,251,051
49	Thomasville City					
50	Schools	\$ 401,030	\$ 1,278,236	\$0	\$0	\$ 1,679,266
51	Davie County					

1	Schools	\$ 1,078,000	\$ 126,655	\$0	\$ 8,795,345	\$10,000,000
2	Duplin County					
3	Schools	\$ 1,675,224	\$14,363,983	\$0	\$0	\$16,039,207
4	Durham Public					
5	Schools	\$ 5,708,640	\$0	\$0	\$ 4,291,360	\$10,000,000
6	Edgecombe County Public					
7	Schools	\$ 1,028,070	\$ 9,078,982	\$0	\$0	\$10,107,052
8	Winston-Salem/Forsyth County					
9	Schools	\$ 9,492,934	\$0	\$ 195,069	\$ 311,997	\$10,000,000
10	Franklin County					
11	Schools	\$ 1,432,453	\$ 9,214,386	\$0	\$0	\$10,646,839
12	Gaston County					
13	Schools	\$ 5,478,572	\$10,370,854	\$0	\$0	\$15,849,426
14	Gates County					
15	Schools	\$ 292,348	\$ 2,304,596	\$0	\$ 7,403,056	\$10,000,000
16	Graham County					
17	Schools	\$ 196,546	\$ 181,438	\$0	\$ 9,622,016	\$10,000,000
18	Granville County					
19	Schools	\$ 1,298,717	\$10,527,816	\$0	\$0	\$11,826,533
20	Greene County					
21	Schools	\$ 515,006	\$ 5,786,310	\$0	\$ 3,698,684	\$10,000,000
22	Guilford County					
23	Schools	\$12,599,551	\$0	\$0	\$0	\$12,599,551
24	Halifax County					
25	Schools	\$ 414,086	\$ 2,879,981	\$0	\$ 664,636	\$ 3,958,703
26	Roanoke Rapids City					
27	Schools	\$ 494,716	\$ 3,344,835	\$0	\$ 774,696	\$ 4,614,247
28	Weldon City					
29	Schools	\$ 140,087	\$ 1,047,372	\$0	\$ 239,591	\$ 1,427,050
30	Harnett County					
31	Schools	\$ 3,576,986	\$31,495,234	\$0	\$0	\$35,072,220
32	Haywood County					
33	Schools	\$ 1,255,668	\$0	\$0	\$ 8,744,332	\$10,000,000
34	Henderson County					
35	Schools	\$ 2,349,018	\$0	\$0	\$ 7,650,982	\$10,000,000
36	Hertford County					
37	Schools	\$ 480,778	\$ 3,813,581	\$0	\$ 5,705,641	\$10,000,000
38	Hoke County					
39	Schools	\$ 1,545,193	\$16,729,054	\$ 6,230,019	\$0	\$24,504,266
40	Hyde County					
41	Schools	\$ 102,331	\$0	\$ 170,685	\$ 9,726,984	\$10,000,000
42	Iredell-Statesville					
43	Schools	\$ 3,570,282	\$0	\$0	\$ 4,148,669	\$7,718,951
44	Mooreville Graded School					
45	District	\$ 1,055,064	\$0	\$0	\$ 1,225,985	\$2,281,049
46	Jackson County					
47	Schools	\$ 635,862	\$0	\$0	\$ 9,364,138	\$10,000,000
48	Johnston County					
49	Schools	\$ 6,415,074	\$39,223,050	\$31,381,739	\$0	\$77,019,863
50	Jones County					
51	Schools	\$ 180,843	\$ 564,377	\$0	\$ 9,254,780	\$10,000,000

1	Lee County					
2	Schools	\$ 1,738,739	\$ 6,962,542	\$0	\$ 1,298,719	\$10,000,000
3	Lenoir County Public					
4	Schools	\$ 1,496,321	\$ 8,803,599	\$0	\$0	\$10,299,920
5	Lincoln County					
6	Schools	\$ 2,012,385	\$ 484,727	\$0	\$7,502,888	\$10,000,000
7	Macon County					
8	Schools	\$ 778,948	\$0	\$ 158,494	\$9,062,558	\$10,000,000
9	Madison County					
10	Schools	\$ 400,325	\$ 344,508	\$0	\$ 9,255,167	\$10,000,000
11	Martin County					
12	Schools	\$ 513,771	\$ 3,603,154	\$0	\$ 5,883,076	\$10,000,001
13	McDowell County					
14	Schools	\$ 1,043,597	\$ 5,917,373	\$0	\$ 3,039,030	\$10,000,000
15	Charlotte-Mecklenburg					
16	Schools	\$26,007,162	\$0	\$35,795,177	\$0	\$61,802,339
17	Mitchell County					
18	Schools	\$ 322,518	\$ 303,978	\$0	\$ 9,373,504	\$10,000,000
19	Montgomery County					
20	Schools	\$ 672,030	\$ 2,190,091	\$0	\$ 7,137,879	\$10,000,000
21	Moore County					
22	Schools	\$ 2,251,098	\$0	\$0	\$ 7,748,902	\$10,000,000
23	Nash-Rocky Mount					
24	Schools	\$ 2,611,373	\$14,555,363	\$0	\$0	\$17,166,736
25	New Hanover County					
26	Schools	\$ 4,537,659	\$0	\$0	\$ 5,462,341	\$10,000,000
27	Northampton County					
28	Schools	\$ 267,824	\$ 2,099,454	\$0	\$ 7,632,722	\$10,000,000
29	Onslow County					
30	Schools	\$ 4,699,977	\$ 6,089,634	\$14,764,292	\$0	\$25,553,903
31	Orange County					
32	Schools	\$ 1,287,955	\$0	\$0	\$ 1,867,955	\$ 3,155,910
33	Chapel Hill-Carrboro City					
34	Schools	\$ 2,171,351	\$0	\$ 621,783	\$ 4,050,956	\$ 6,844,090
35	Pamlico County					
36	Schools	\$ 232,008	\$0	\$ 402,330	\$ 9,365,662	\$10,000,000
37	Elizabeth City-Pasquotank Public					
38	Schools	\$ 952,381	\$ 4,850,575	\$0	\$ 4,197,044	\$10,000,000
39	Pender County					
40	Schools	\$ 1,615,060	\$ 6,949,447	\$ 5,644,812	\$0	\$14,209,319
41	Perquimans County					
42	Schools	\$ 285,468	\$ 250,868	\$0	\$ 9,463,664	\$10,000,000
43	Person County					
44	Schools	\$ 768,186	\$ 1,435,534	\$0	\$ 7,796,280	\$10,000,000
45	Pitt County					
46	Schools	\$ 4,121,103	\$17,668,069	\$0	\$0	\$21,789,172
47	Polk County					
48	Schools	\$ 372,625	\$0	\$0	\$ 9,627,375	\$10,000,000
49	Randolph County					
50	Schools	\$ 2,806,507	\$17,202,566	\$0	\$0	\$20,009,073
51	Asheboro City					

1	Schools	\$ 790,240	\$ 4,804,089	\$0	\$0	\$ 5,594,329
2	Richmond County					
3	Schools	\$ 1,248,963	\$11,174,939	\$0	\$0	\$12,423,902
4	Public Schools of Robeson					
5	County	\$ 3,823,815	\$47,851,010	\$0	\$0	\$51,674,825
6	Rockingham County					
7	Schools	\$ 2,042,732	\$12,301,109	\$0	\$0	\$14,343,841
8	Rowan-Salisbury					
9	Schools	\$ 3,302,634	\$12,658,049	\$0	\$0	\$15,960,683
10	Rutherford County					
11	Schools	\$ 1,380,758	\$ 9,196,221	\$0	\$0	\$10,576,979
12	Sampson County					
13	Schools	\$ 1,413,045	\$11,872,434	\$0	\$0	\$13,285,479
14	Clinton City					
15	Schools	\$ 520,828	\$ 4,329,120	\$0	\$0	\$ 4,849,948
16	Scotland County					
17	Schools	\$ 981,316	\$ 9,986,327	\$0	\$0	\$10,967,643
18	Stanly County					
19	Schools	\$ 1,479,913	\$ 7,377,809	\$0	\$ 1,142,278	\$10,000,000
20	Stokes County					
21	Schools	\$ 1,023,483	\$ 5,673,717	\$0	\$ 3,302,800	\$10,000,000
22	Surry County					
23	Schools	\$ 1,345,119	\$ 6,700,636	\$0	\$0	\$ 8,045,755
24	Elkin City					
25	Schools	\$ 207,308	\$ 1,003,140	\$0	\$0	\$ 1,210,448
26	Mount Airy City					
27	Schools	\$ 288,290	\$ 1,401,846	\$0	\$0	\$ 1,690,136
28	Swain County					
29	Schools	\$ 341,573	\$ 435,076	\$0	\$ 9,223,351	\$10,000,000
30	Transylvania County					
31	Schools	\$ 587,519	\$0	\$0	\$ 9,412,481	\$10,000,000
32	Tyrrell County					
33	Schools	\$ 111,682	\$ 747,828	\$ 658,358	\$ 8,482,132	\$10,000,000
34	Union County Public					
35	Schools	\$ 7,269,182	\$0	\$4,925,494	\$0	\$12,194,676
36	Vance County					
37	Schools	\$ 973,023	\$ 9,963,922	\$0	\$0	\$10,936,945
38	Wake County					
39	Schools	\$28,312,249	\$0	\$81,295,042	\$0	\$109,607,291
40	Warren County					
41	Schools	\$ 333,457	\$ 665,924	\$0	\$ 9,000,619	\$10,000,000
42	Washington County					
43	Schools	\$ 227,068	\$ 1,526,792	\$0	\$ 8,246,140	\$10,000,000
44	Watauga County					
45	Schools	\$ 811,764	\$0	\$ 1,658,087	\$ 7,530,149	\$10,000,000
46	Wayne County Public					
47	Schools	\$ 3,215,124	\$20,431,119	\$0	\$0	\$23,646,243
48	Wilkes County					
49	Schools	\$ 1,595,123	\$ 7,544,916	\$0	\$ 859,961	\$10,000,000
50	Wilson County					
51	Schools	\$ 1,965,807	\$ 9,032,302	\$0	\$0	\$10,998,109

1	Yadkin County					
2	Schools	\$ 911,449	\$ 5,605,490	\$0	\$3,483,061	\$10,000,000
3	Yancey County					
4	Schools	\$ 373,507	\$ 1,676	\$0	\$9,624,817	\$10,000,000
5	Total	\$250,500,000	\$600,402,893	\$225,000,000	\$424,097,107	
6						\$1,500,000,000

(1a) Subject to the provisions of subdivision (2) of this subsection, two hundred million dollars (\$200,000,000) of the proceeds of education bonds and notes, including premium thereon, if any, shall be used for paying the costs of capital outlay projects for constituent institutions and repairs and renovations in the following general amounts set forth below:

The University of North Carolina

16	Various Statewide	New Construction, Repairs, Renovations	\$200,000,000
18	Total for The University of North Carolina		\$200,000,000

(1b) Subject to the provisions of subdivision (2) of this subsection, two hundred million dollars (\$200,000,000) of the proceeds of education bonds and notes, including premium thereon, if any, shall be used for paying the costs of community college capital outlay projects and repairs and renovations in the following general amounts set forth below:

NC Community Colleges

28	Various Statewide	Technology Upgrades, New Construction, Repairs, Renovations	\$200,000,000
31	Total for NC Community Colleges		\$200,000,000

(2) Special allocation provisions. – In determining the use of the proceeds of education bonds and notes, including premium thereon, if any, set forth in this act, the following special allocation provisions apply:

- a. The public school capital outlay projects to be financed with the proceeds of the bonds issued under this act shall be determined by the State Board of Education based upon the criteria set forth in this act, and upon application by the county in which the public school capital outlay project is to be located or that will otherwise be served by the public school capital outlay project. With respect to proceeds allocated in subdivision (1) of this subsection:
 1. The proceeds shall be used for new construction or rehabilitation of existing facilities and repairs and renovations. Any items purchased with such proceeds and installed or replaced as part of a renovation or rehabilitation must have a useful life of at least 10 years or must extend the life of the facility by at least 10 years once renovated or rehabilitated.
 2. In the case of a local school administrative unit located entirely in one county, the unit's total distribution amount shall be allocated to that county. In the case of a local school

- 1 administrative unit located in more than one county, the unit's
2 distribution amount shall be allocated among the counties in
3 which the unit is located in proportion to average daily
4 membership of the unit in each county. A unit's distribution
5 amount allocated to a county may be used only with respect to
6 public school facilities of that unit. If two or more local school
7 administrative units are consolidated into one unit, the
8 distribution amounts provided in subdivision (1) of this
9 subsection for the units shall be considered the distribution
10 amount for the merged unit.
- 11 3. Local matching fund requirement for bond proceeds shall be
12 as follows:
- 13 I. A county shall not be required to provide local
14 matching funds for the bond proceeds if any portion of
15 the proceeds results from low-wealth county or
16 adjustment factor designation allocations.
- 17 II. A county shall be required to provide local matching
18 funds for the bond proceeds if the county does not
19 receive any portion of the proceeds results from low
20 wealth county or adjustment factor designation
21 allocations. The county shall provide local matching
22 funds from county funds, other non-State funds, or a
23 combination of these sources for such proceeds. The
24 amount of matching funds shall be (i) one dollar
25 (\$1.00) of local matching funds for every three dollars
26 (\$3.00) of such proceeds for a local school
27 administrative unit located in a county that is a
28 development tier one area, as defined in
29 G.S. 143B-437.08, (ii) one dollar (\$1.00) of local
30 matching funds for every two dollars (\$2.00) of such
31 proceeds for a local school administrative unit located
32 in a county that is a development tier two area, as
33 defined in G.S. 143B-437.08, and (iii) one dollar
34 (\$1.00) of local matching funds for every one dollar
35 (\$1.00) of such proceeds for a local school
36 administrative unit located in a county that is a
37 development tier three area, as defined in
38 G.S. 143B-437.08. The match requirement may be
39 satisfied by non-State expenditures for public school
40 facilities made on or after January 1, 2015. If a debt has
41 been incurred since January 1, 2015, for the general
42 purpose of public school facilities, then the face
43 amount of the debt shall be considered as a non-State
44 expenditure for public school facilities for the purpose
45 of the match. No other expenditures made or debts
46 incurred before January 1, 2015, may be used to satisfy
47 the match requirement. As counties satisfy the match
48 requirements of this sub-sub-sub-subdivision, they
49 shall document the extent to which they have done so
50 in periodic reports to the State Board of Education.
51 These reports shall include any information and

1 documentation required by the State Board of
2 Education. The State Board of Education shall certify
3 to the State Treasurer from time to time the extent to
4 which the match requirements of this
5 sub-sub-sub-subdivision have been met with respect to
6 each county. Bond proceeds shall be distributed for
7 expenditure only as, and to the extent, the matching
8 requirement of this sub-sub-sub-subdivision are
9 satisfied, as certified by the State Board of Education.
10 If the State Board of Education determines that a
11 county has not met the matching requirement set forth
12 in this sub-sub-sub-subdivision by January 1, 2026, the
13 State Board of Education shall certify that fact to the
14 State Treasurer by March 1, 2026. Amounts that are
15 allocated in the ADM Growth Allocation of bond
16 proceeds under subdivision (1) of this subsection and
17 that have not been certified as matched by the State
18 Board of Education by January 1, 2026, shall be
19 reallocated among the counties that have been certified
20 as having met the matching requirement for that
21 allocation. The reallocation shall be made among the
22 eligible counties in proportion to the amount of ADM
23 Growth Allocations for those counties under
24 subdivision (1) of this subsection. Amounts that are
25 allocated in the ADM Allocation of bond proceeds
26 under subdivision (1) of this subsection and that have
27 not been certified as matched by the State Board of
28 Education by January 1, 2026, shall be reallocated
29 among the counties that have been certified as having
30 met the matching requirement for that allocation. The
31 reallocation shall be made on the basis of average daily
32 membership of the local school administrative units
33 within the remaining counties. Bond proceeds
34 reallocated to a county because of a local school
35 administrative unit's average daily membership within
36 the county may be used only with respect to public
37 school capital outlay projects of that unit. Bond
38 proceeds reallocated to a county under this
39 sub-sub-sub-subdivision must be matched at the same
40 rate as bond proceeds allocated to the county under this
41 sub-sub-sub-subdivision.

42 III. The State Board of Education shall also require
43 counties to report annually on the impact of funds
44 provided under this act on the property tax rate for that
45 year. These reports shall be public documents and shall
46 be furnished to any citizen upon request.

47 4. The General Assembly encourages, in projects for which bond
48 proceeds are allocated, consideration by counties and local
49 school administrative units of projects that primarily involve
50 materially improving the energy efficiency of the school
51 facility.

- 1 b. The capital outlay projects for a constituent institution to be financed
2 with the proceeds of the bonds issued under this act shall be
3 determined by the Board of Governors of The University of North
4 Carolina based upon the criteria set forth in this act, and upon
5 application by the constituent institution in which the capital outlay
6 projects for a constituent institution is to be located or that will
7 otherwise be served by the capital outlay projects for a constituent
8 institution. With respect to proceeds allocated in subdivision (1a) of
9 this subsection:
- 10 1. The proceeds shall be used for new construction or
11 rehabilitation of existing facilities and repairs and renovations.
12 Any items purchased with such proceeds and installed or
13 replaced as part of a renovation or rehabilitation must have a
14 useful life of at least 10 years or must extend the life of the
15 facility by at least 10 years once renovated or rehabilitated.
16 Local matching fund requirements to receive bond proceeds
17 shall be as follows:
- 18 I. For projects for new construction, the constituent
19 institution receiving the proceeds shall provide
20 matching funds from other non-State funds.
21 II. For rehabilitation of existing facilities and repairs and
22 renovations, constituent institutions shall not be
23 required to match bond proceeds allocated in this act.
- 24 2. In determining the allocation of proceeds, the Board of
25 Governors shall consider the following factors: (i) size of the
26 entity, with a focus on smaller campuses; (ii) population
27 historically served, with a focus on historically
28 minority-serving institutions; (iii) development tier area
29 designations, with a focus on lower development tier areas; (iv)
30 constituent institutions operating a school serving any grade,
31 kindergarten through 12, with a focus on such institutions; and
32 (v) length of outstanding repairs and renovations requests, with
33 a focus on longer outstanding requests.
- 34 c. The community college capital outlay projects to be financed with the
35 proceeds of the bonds issued under this act shall be determined by the
36 Community College System Office based upon the criteria set forth in
37 this act, and upon application by the community college in which the
38 community college capital outlay projects is to be located or that will
39 otherwise be served by the community college capital outlay projects.
40 With respect to proceeds allocated in subdivision (1b) of this
41 subsection:
- 42 1. The proceeds shall be used for upgrades to the enterprise
43 resource planning information technology ("the ERP system"),
44 new construction or rehabilitation of existing facilities, and
45 repairs and renovations.
- 46 2. Any items purchased with such proceeds for new construction
47 or rehabilitation of existing facilities and repairs and
48 renovations and installed or replaced as part of a renovation or
49 rehabilitation must have a useful life of at least 10 years or
50 must extend the life of the facility by at least 10 years once

renovated or rehabilitated. Local matching fund requirements to receive bond proceeds shall be as follows:

- I. For projects for new construction, the community college receiving the proceeds shall provide local matching funds from county funds, other non-State funds, or a combination of these sources for such proceeds. The amount of matching funds shall be (i) one dollar (\$1.00) of local matching funds for every three dollars (\$3.00) of such proceeds for a community college with a main campus located in a development tier one area, as defined in G.S. 143B-437.08, (ii) one dollar (\$1.00) of local matching funds for every two dollars (\$2.00) of such proceeds for a community college with a main campus located in a development tier two area, as defined in G.S. 143B-437.08, and (iii) one dollar (\$1.00) of local matching funds for every one dollar (\$1.00) of such proceeds for a community college with a main campus located in a development tier three area, as defined in G.S. 143B-437.08. The provisions of G.S. 115D-31, or any other provision of law permitting prior expenditures to be used for match purposes, do not apply for purposes of meeting the matching funds requirements of this act.
 - II. For rehabilitation of existing facilities and repairs and renovations, community colleges are not required to match bond proceeds allocated in this act.
 - III. No funds shall be required to match bond proceeds allocated in this act for the ERP system project.
3. In determining between projects for which bond proceeds are allocated, the Community Colleges System Office shall give first priority to the ERP system project and shall prioritize allocation of the remainder of funds among projects for new construction and repairs and renovations by ranking the projects for the various community colleges according to three components, as follows: (i) the development factor ranking by the Secretary of Commerce, as provided in G.S. 143B-437.08, for identification of the development tier of the county in which the project is located, which shall be single weighted, (ii) the community college's repairs and renovations needs, which shall be double weighted, and (iii) the community college's additional square footage needs, which shall be single weighted.

SECTION 1.(f) Allocation and Tracking of Proceeds. –

- (1) Education bonds. – The proceeds of education bonds and notes, including premium thereon, if any, except the proceeds of bonds, the issuance of which has been anticipated by bond anticipation notes or the proceeds of refunding bonds or notes, shall be placed by the State Treasurer in a special fund to be designated "Education Bonds Fund," which may include such appropriate special accounts therein as may be determined by the State Treasurer and shall be disbursed as provided in this section. Monies in the Education Bonds Fund shall be allocated and expended as provided in this section.

1 Any additional monies that may be received by means of a grant or grants
2 from the United States of America or any agency or department thereof or
3 from any other source for deposit to the Education Bonds Fund may be placed
4 in the Education Bonds Fund or in a separate account or fund and shall be
5 disbursed, to the extent permitted by the terms of the grant or grants, without
6 regard to any limitations imposed by this act.

7 Monies in the Education Bonds Fund or any separate account established
8 under this section may be invested from time to time by the State Treasurer in
9 the same manner permitted for investment of monies belonging to the State or
10 held in the State treasury, except with respect to grant money to the extent
11 otherwise directed by the terms of the grant. Investment earnings, except
12 investment earnings with respect to grant monies to the extent otherwise
13 directed or restricted by the terms of the grant, may be (i) credited to the
14 Education Bonds Fund or (ii) used to satisfy compliance with applicable
15 requirements of the federal tax law.

16 The proceeds of education bonds and notes, including premium thereon,
17 if any, may be used with any other monies made available by the General
18 Assembly for funding the projects authorized by this section, including the
19 proceeds of any other State bond issues, whether heretofore made available or
20 that may be made available at the session of the General Assembly at which
21 this act is ratified or any subsequent sessions. The proceeds of education bonds
22 and notes, including premium thereon, if any, shall be expended and disbursed
23 under the direction and supervision of the Director of the Budget. The funds
24 provided by this act shall be disbursed for the purposes provided in this section
25 upon warrants drawn on the State Treasurer by the State Controller, which
26 warrants shall not be drawn until requisition has been approved by the
27 Director of the Budget and which requisition shall be approved only after full
28 compliance with the State Budget Act, Chapter 143C of the General Statutes.

29 (2) Tracking of bond proceeds. – The State Treasurer or the State Treasurer's
30 designee is hereby authorized and directed to set up a comprehensive system
31 of tracking the proceeds of the education bonds and notes, including premium
32 thereon, if any, to the extent necessary to enable the State Treasurer or the
33 State Treasurer's designee to properly account for the use of such proceeds for
34 compliance with applicable requirements of the federal tax law or otherwise.
35 All recipients of such proceeds shall comply with any tracking system
36 implemented by the State Treasurer or the State Treasurer's designee for this
37 purpose. The State Treasurer may withhold proceeds if the recipient fails to
38 comply with this subdivision.

39 (3) Costs. – Allocations to the costs of a capital improvement or undertaking in
40 each case may include allocations to pay the costs set forth in sub-subdivisions
41 c. through g. of subdivision (2) of subsection (c) of this section in connection
42 with the issuance of bonds for that capital improvement or undertaking.

43 **SECTION 1.(g)** Election. – The question of the issuance of the bonds authorized by
44 this act shall be submitted to the qualified voters of the State at the time of the election in 2020
45 when voters of this State are given an opportunity to express their preference for the person to be
46 the presidential candidate of their political party. Any other primary, election, or referendum,
47 validly called or scheduled by law at the time the election on the bond question provided for in
48 this subsection is held, may be held as called or scheduled. Notice of the election shall be given
49 in the manner and at the times required by G.S. 163A-769(8). The election and the registration
50 of voters therefor shall be held under and in accordance with the general laws of the State.
51 Absentee ballots shall be authorized in the election.

1 The State Board of Elections (State Board) shall reimburse the counties of the State
2 for all necessary expenses incurred in holding the election that are in addition to those that would
3 have otherwise been incurred, the same to be paid out of the Contingency and Emergency Fund
4 or other funds available to the State Board.

5 Ballots, voting systems authorized by Subpart 2 of Part 3 of Article 20 of Chapter
6 163A of the General Statutes, or both may be used in accordance with rules prescribed by the
7 State Board. The bond question to be used in the ballots or voting systems shall be in substantially
8 the following form:

9 "[] FOR [] AGAINST

10 The issuance of one billion nine hundred million dollars (\$1,900,000,000) State of
11 North Carolina Education Bonds constituting general obligation bonds of the State secured by a
12 pledge of the faith and credit and taxing power of the State for the purpose of providing funds,
13 with any other available funds, to fund capital improvements, construction of new facilities, and
14 the renovation and rehabilitation of existing facilities for the State's public education system in
15 local school administrative units, community colleges of the North Carolina Community College
16 System, and constituent institutions of The University of North Carolina."

17 If a majority of those voting on a bond question in the election vote in favor of the
18 issuance of the bonds described in the question, those bonds may be issued as provided in this
19 act. If a majority of those voting on the bond question in the election do not vote in favor of the
20 issuance of the bonds described in the question, those bonds shall not be issued.

21 The results of the election shall be canvassed and declared as provided by law for
22 elections for State officers; the results of the election shall be certified by the State Board to the
23 Secretary of State in the manner and at the time provided by the general election laws of the
24 State.

25 **SECTION 1.(h) Issuance of Bonds and Notes. –**

26 (1) Terms and conditions. – Bonds or notes may bear such date or dates, may be
27 serial or term bonds or notes, or any combination thereof, may mature in such
28 amounts and at such time or times, not exceeding 40 years from their date or
29 dates, may be payable at such place or places, either within or without the
30 United States of America, in such coin or currency of the United States of
31 America as at the time of payment is legal tender for payment of public and
32 private debts, may bear interest at such rate or rates, which may vary from
33 time to time, and may be made redeemable before maturity, at the option of
34 the State or otherwise as may be provided by the State, at such price or prices,
35 including a price less than the face amount of the bonds or notes, and under
36 such terms and conditions, all as may be determined by the State Treasurer by
37 and with the consent of the Council of State.

38 (2) Signatures; form and denomination; registration. – Bonds or notes may be
39 issued as certificated or uncertificated obligations. If issued as certificated
40 obligations, bonds or notes shall be signed on behalf of the State by the
41 Governor or shall bear the Governor's facsimile signature, shall be signed by
42 the State Treasurer or shall bear the State Treasurer's facsimile signature, and
43 shall bear the Great Seal of the State of North Carolina or a facsimile thereof
44 shall be impressed or imprinted thereon. If bonds or notes bear the facsimile
45 signatures of the Governor and the State Treasurer, the bonds or notes shall
46 also bear a manual signature, which may be that of a bond registrar, trustee,
47 paying agent, or designated assistant of the State Treasurer. Should any officer
48 whose signature or facsimile signature appears on bonds or notes cease to be
49 such officer before the delivery of the bonds or notes, the signature or
50 facsimile signature shall nevertheless have the same validity for all purposes
51 as if the officer had remained in office until delivery, and bonds or notes may

1 bear the facsimile signatures of persons who at the actual time of the execution
2 of the bonds or notes shall be the proper officers to sign any bond or note,
3 although at the date of the bond or note such persons may not have been such
4 officers. The form and denomination of bonds or notes, including the
5 provisions with respect to registration of the bonds or notes and any system
6 for their registration, shall be as the State Treasurer may determine in
7 conformity with this section; provided, however, that nothing in this section
8 shall prohibit the State Treasurer from proceeding, with respect to the issuance
9 and form of the bonds or notes, under the provisions of Chapter 159E of the
10 General Statutes, the Registered Public Obligations Act, as well as under this
11 section.

12 (3) Manner of sale; expenses. – Subject to the consent of the Council of State, the
13 State Treasurer shall determine the manner in which bonds or notes shall be
14 offered for sale, whether at public or private sale, whether within or without
15 the United States of America, and whether by publishing notices in certain
16 newspapers and financial journals, mailing notices, inviting bids by
17 correspondence, negotiating contracts of purchase, or otherwise, and the State
18 Treasurer is authorized to sell bonds or notes at one time or from time to time
19 at such rate or rates of interest, which may vary from time to time, and at such
20 price or prices, including a price less than the face amount of the bonds or the
21 notes, as the State Treasurer may determine. All expenses incurred in
22 preparation, sale, and issuance of bonds or notes shall be paid by the State
23 Treasurer from the proceeds of bonds or notes or other available monies.

24 (4) Notes; repayment. –

25 a. Subject to the consent of the Council of State, the State Treasurer is
26 hereby authorized to borrow money and to execute and issue notes of
27 the State for the same, but only in the following circumstances and
28 under the following conditions:

- 29 1. For anticipating the sale of bonds to the issuance of which the
30 Council of State shall have given consent, if the State Treasurer
31 shall deem it advisable to postpone the issuance of the bonds.
- 32 2. For the payment of interest on or any installment of principal
33 of any bonds then outstanding, if there shall not be sufficient
34 funds in the State treasury with which to pay the interest or
35 installment of principal as they respectively become due.
- 36 3. For the renewal of any loan evidenced by notes herein
37 authorized.
- 38 4. For the purposes authorized in this act.
- 39 5. For refunding bonds or notes as herein authorized.

40 b. Funds derived from the sale of bonds or notes may be used in the
41 payment of any bond anticipation notes issued under this section.
42 Funds provided by the General Assembly for the payment of interest
43 on or principal of bonds shall be used in paying the interest on or
44 principal of any notes and any renewals thereof, the proceeds of which
45 shall have been used in paying interest on or principal of the bonds.

46 (5) Refunding bonds and notes. – By and with the consent of the Council of State,
47 the State Treasurer is authorized to issue and sell refunding bonds and notes
48 pursuant to the provisions of the State Refunding Bond Act for the purpose of
49 refunding bonds or notes issued pursuant to this act. The refunding bonds and
50 notes may be combined with any other issues of State bonds and notes
51 similarly secured.

- 1 (6) Tax exemption. – Bonds and notes shall be exempt from all State, county, and
2 municipal taxation or assessment, direct or indirect, general or special,
3 whether imposed for the purpose of general revenue or otherwise, excluding
4 inheritance and gift taxes, income taxes on the gain from the transfer of bonds
5 and notes, and franchise taxes. The interest on bonds and notes shall not be
6 subject to taxation as to income.
- 7 (7) Investment eligibility. – Bonds and notes are hereby made securities in which
8 all public officers, agencies, and public bodies of the State and its political
9 subdivisions; all insurance companies, trust companies, investment
10 companies, banks, savings banks, savings and loan associations, credit unions,
11 pension or retirement funds, other financial institutions engaged in business
12 in the State; executors, administrators, trustees, and other fiduciaries may
13 properly and legally invest funds, including capital in their control or
14 belonging to them. Bonds and notes are hereby made securities that may
15 properly and legally be deposited with and received by any officer or agency
16 of the State or political subdivision of the State for any purpose for which the
17 deposit of bonds, notes, or obligations of the State or any political subdivision
18 of the State is now or may hereafter be authorized by law.
- 19 (8) Faith and credit. – The faith and credit and taxing power of the State are hereby
20 pledged for the payment of the principal of and the interest on bonds and notes.
21 In addition to the State's right to amend any provision of this act to the extent
22 it does not impair any contractual right of a bond owner, the State expressly
23 reserves the right to amend any provision of this act with respect to the making
24 and repayment of loans, the disposition of any repayments of loans, and any
25 intercept provisions relating to the failure of a local government unit to repay
26 a loan, the bonds not being secured in any respect by loans, any repayments
27 thereof, or any intercept provisions with respect thereto.

28 **SECTION 1.(i) Variable Interest Rates.** – In fixing the details of bonds and notes,
29 the State Treasurer may provide that any of the bonds or notes may:

- 30 (1) Be made payable from time to time on demand or tender for purchase by the
31 owner thereof, provided a credit facility agreement supports the bonds or
32 notes, unless the State Treasurer specifically determines that a credit facility
33 agreement is not required, upon a finding and determination by the State
34 Treasurer that the absence of a credit facility agreement will not materially or
35 adversely affect the financial position of the State and the marketing of the
36 bonds or notes at a reasonable interest cost to the State;
- 37 (2) Be additionally supported by a credit facility agreement;
- 38 (3) Be made subject to redemption or a mandatory tender for purchase prior to
39 maturity;
- 40 (4) Bear interest at a rate or rates that may vary for such period or periods of time,
41 all as may be provided in the proceedings providing for the issuance of the
42 bonds or notes, including, without limitation, such variations as may be
43 permitted pursuant to a par formula; and
- 44 (5) Be made the subject of a remarketing agreement whereby an attempt is made
45 to remarket bonds or notes to new purchasers prior to their presentment for
46 payment to the provider of the credit facility agreement or to the State.

47 If the aggregate principal amount repayable by the State under a credit facility
48 agreement is in excess of the aggregate principal amount of bonds or notes secured by the credit
49 facility agreement, whether as a result of the inclusion in the credit facility agreement of a
50 provision for the payment of interest for a limited period of time or the payment of a redemption
51 premium or for any other reason, then the amount of authorized but unissued bonds or notes

1 during the term of such credit facility agreement shall not be less than the amount of such excess,
2 unless the payment of such excess is otherwise provided for by agreement of the State executed
3 by the State Treasurer.

4 **SECTION 1.(j)** Interpretation of Act. –

- 5 (1) Additional method. – The foregoing subsections of this section shall be
6 deemed to provide an additional and alternative method for the doing of the
7 things authorized thereby and shall be regarded as supplemental and
8 additional to powers conferred by other laws and shall not be regarded as in
9 derogation of any powers now existing.
- 10 (2) Statutory references. – References in this act to specific sections or Chapters
11 of the General Statutes or to specific acts are intended to be references to these
12 sections, Chapters, or acts as they may be amended from time to time by the
13 General Assembly.
- 14 (3) Broad construction. – The General Assembly specifically has chosen to
15 combine what otherwise might be considered differing projects to be financed
16 into one bond bill and bond question because the General Assembly finds that
17 such differing projects, when taken together, constitute an interrelated, united,
18 and single plan for the State's public education system as stated aforesaid.
19 Accordingly, this act, being necessary for the health, welfare, and
20 advancement of the people of the State, shall be broadly construed to affect
21 the purposes thereof.
- 22 (4) Inconsistent provisions. – Insofar as the provisions of this section are
23 inconsistent with the provisions of any general laws, or parts thereof, the
24 provisions of this act shall be controlling.
- 25 (5) Severability. – If any provision of this section or the application thereof to any
26 person or circumstance is held invalid, such invalidity shall not affect other
27 provisions or applications of the act that can be given effect without the invalid
28 provision or application, and to this end, the provisions of this section are
29 declared to be severable.

30 **SECTION 1.(k)** Other Agreements. – The State Treasurer may authorize, execute,
31 obtain, or otherwise provide for bond issuance, investment contracts, credit and liquidity
32 facilities, interest rate swap agreements and other derivative products, and any other related
33 instruments and matters the State Treasurer determines to be desirable in connection with the
34 issuance of bonds and notes.

35 **SECTION 2.** Each entity, upon receiving the proceeds of education bonds and notes,
36 including premium thereon, if any, issued pursuant to and for projects listed in Section 1 of this
37 act, shall administer, supervise, and ensure that use of the proceeds comport with the purposes
38 provided in this act. Each local school administrative unit, along with the corresponding board
39 of county commissioners, shall jointly submit to the State Board of Education a plan for the
40 expenditure of proceeds allocated to it under this act. After the State Board of Education
41 determines that a local school administrative unit's planned expenditure of part or all of the
42 proceeds allocated to it is within the purposes provided in this act, the State Board of Education
43 shall make the proceeds to which the plans apply available to the local school administrative unit.
44 Each local school administrative unit receiving the proceeds of education bonds and notes,
45 including premium thereon, if any, issued pursuant to Section 1 of this act shall report by January
46 1, 2022, and quarterly thereafter, to the State Board of Education on the projects funded from
47 education general obligation bonds authorized by Section 1 of this act, and the State Board of
48 Education shall combine the reports and submit them to the Joint Legislative Capital Oversight
49 Committee, the House of Representatives Appropriations Committee, and the Senate Committee
50 on Appropriations/Base Budget. Each report shall include the total project costs, the amount to

1 be funded from the bonds, the expenditures to date from the bonds and other sources, and the
2 percentage of each project completed.

3 Each constituent institution of The University of North Carolina receiving the
4 proceeds of education bonds and notes, including premium thereon, if any, issued pursuant to
5 subdivision (1a) of Section 1(e) of this act shall report by January 1, 2022, and quarterly
6 thereafter, to the Joint Legislative Oversight Committee on Capital Improvements, the House of
7 Representatives Appropriations Committee, and the Senate Committee on Appropriations/Base
8 Budget on the projects funded from education general obligation bonds authorized by Section 1
9 of this act. Each report shall include the total project costs, the amount to be funded from the
10 bonds, the expenditures to date from the bonds and other sources, and the percentage of each
11 project completed.

12 Community colleges receiving the proceeds of education bonds and notes, including
13 premium thereon, if any, issued pursuant to subdivision (1b) of Section 1(e) of this act shall
14 report by January 1, 2022, and quarterly thereafter, to the North Carolina Community Colleges
15 System Office on the projects funded from education general obligation bonds authorized by
16 Section 1 of this act, and the System Office shall combine the reports and submit them to the
17 Joint Legislative Oversight Committee on Capital Improvements, the House of Representatives
18 Appropriations Committee, and the Senate Committee on Appropriations/Base Budget. Each
19 report shall include the total project costs, the amount to be funded from the bonds, the
20 expenditures to date from the bonds and other sources, and the percentage of each project
21 completed.

22 **SECTION 3.(a)** Projects funded in whole or in part with the proceeds of education
23 bonds and notes, including premium thereon, if any, issued pursuant to this act, and that portion
24 of funds estimated to be needed for escalation of costs shall remain with the Office of State
25 Budget and Management and shall be disbursed only for the following purposes:

- 26 (1) To address unforeseen contingencies related to the specific project for which
27 the funds were made available.
28 (2) To address inflation costs related to that specific project.

29 **SECTION 3.(b)** Any funds retained by the Office of State Budget and Management
30 pursuant to subsection (a) of this section at the time a project is completed shall be retained by
31 the Office of State Budget and Management. The Office of State Budget and Management shall
32 report on any funds retained pursuant to this subsection within 90 days of a project's completion.

33 **SECTION 4.** Notwithstanding the period of time provided in G.S. 163A-1045(a) for
34 which transfers are effective, transfers of voters from a given precinct, for the purpose of voting,
35 to an adjacent precinct for the election held as required in Section 1(g) of this act shall be for that
36 election only and shall not apply to any subsequent election.

37 **SECTION 5.** Any funds from the Education Bond expended for school technology
38 for public schools shall be reported to the State Board of Education and shall be credited against
39 the judgment in *N.C. Sch. Bds. Ass'n. v. Moore*, No. 98-CVS-14159 (N.C. Super. Ct.).

40 **SECTION 6.** This act is effective when it becomes law.