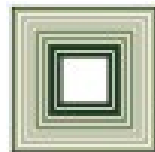


State Capital and Infrastructure Fund (SCIF)

Overview of Fund and Projected Availability

February 12, 2020



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

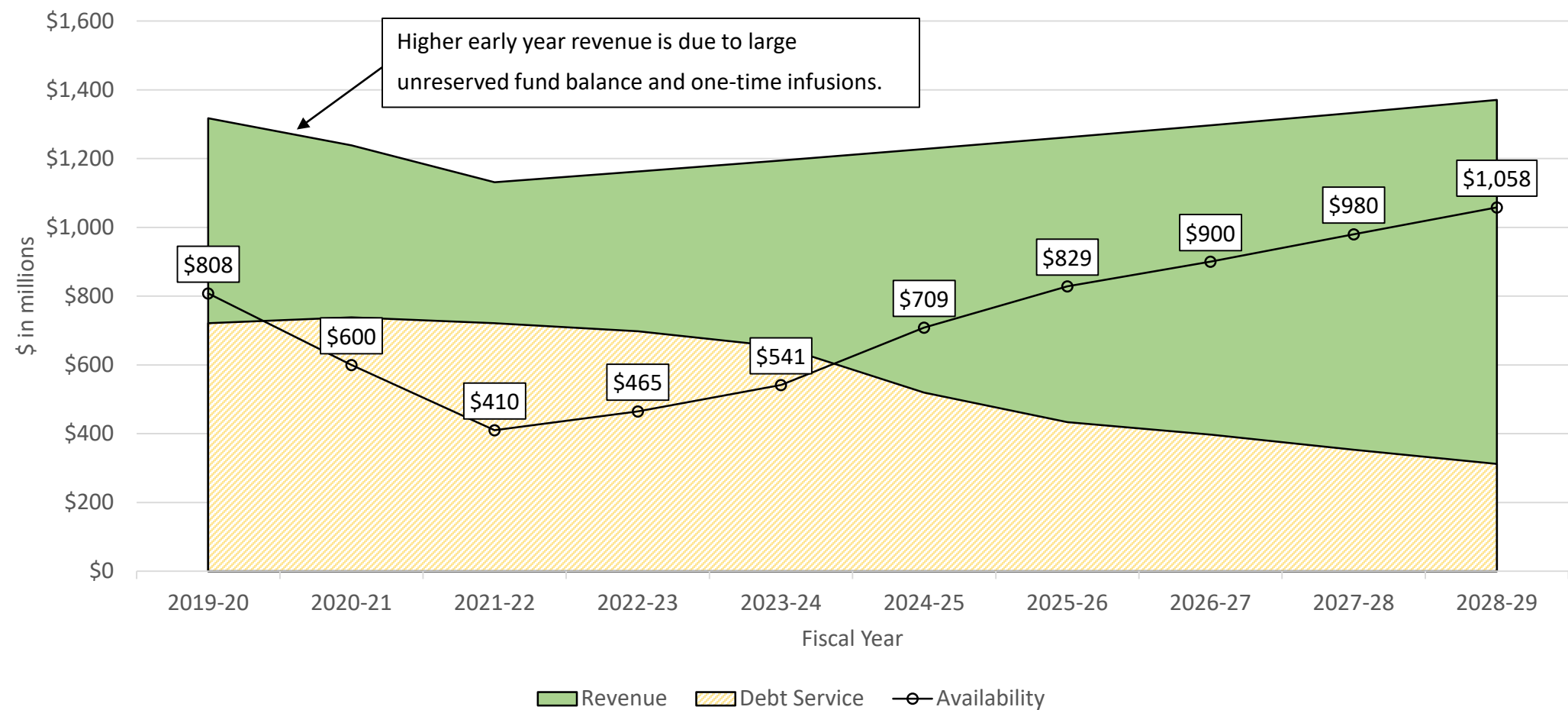
Background

- Established in 2017 Appropriations Act and effective July 1, 2019
- Statutory Citation: G.S. 143C-4-3.1
- Pays for capital out of current revenue and fund balances, avoiding additional debt and interest
- Implements “pay as you go” capital funding policy. Multi-year projects are authorized to begin based on the availability of projected revenue to meet cash flow requirements in later years.

Background

- Fund supports the following:
 - General Fund debt service
 - For State-owned facilities (i.e. State agencies and UNC):
 - Repairs and Renovations (R&R)
 - New Capital
 - Growing Rural Economies with Access to Technology (rural broadband), added in SL 2019-230
 - Other projects (e.g. HB 966 funds K-12 capital, community college capital, directed grants)
- Fund is capitalized from following sources:
 - $\frac{1}{4}$ of the unreserved fund balance remaining in the General Fund at end of each year
 - 4% of net General Fund tax revenue
 - Additional funds appropriated by the General Assembly
 - Accrued interest on Fund deposits

Projected Annual Availability



Assumptions: 3% revenue growth, \$100M from year-end fund balance, DST-debt service estimates (March 2019), revenue for 2019-21 as in HB 966

Highlights from HB 966

Aggregate amounts authorized or allocated:

- \$448 million authorized for new State agency capital;
- \$632 million authorized for new UNC System capital;
- \$1.5 billion for Local Education Agencies (LEAs), amounts for each LEA specified within the provision (Sec. 39.2);
- \$400 million for Community Colleges, amounts for each college specified in the provision (Sec. 39.2);
- \$325 million for repairs and renovations of State agencies and UNC System for 2019-21 biennium;
- \$150 million for rural broadband.

Summary of Capital Allocations

Category	Total Authorized Projects	Amount Funded in Biennium	Future SCIF Requirement
State Agency Capital	\$448M	\$191M	\$257M
UNC Capital	\$632M	\$191M	\$441M
School Districts	\$1.5B	\$454M	\$1.05B
Community Colleges	\$400M	\$91M	\$309M
Directed Grants	\$84M	\$53M	\$31M
GREAT	\$150M	\$30M	\$120M

Questions

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