

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019**

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**HOUSE BILL 1225  
Committee Substitute Favorable 6/17/20  
Third Edition Engrossed 6/22/20**

Short Title: Education & Transportation Bond Act of 2020.

(Public)

Sponsors:

Referred to:

May 27, 2020

A BILL TO BE ENTITLED

AN ACT TO ENACT THE EDUCATION AND TRANSPORTATION BOND ACT OF 2020.

The General Assembly of North Carolina enacts:

**SECTION 1.(a)** Short Title. – This act shall be known as the "Education and Transportation Bond Act of 2020."

**SECTION 1.(b)** Purpose. – It is the intent of the General Assembly by this act to provide, subject to a vote of the qualified voters of the State, for the issuance of three billion one hundred million dollars (\$3,100,000,000) in general obligation bonds of the State for the purpose of providing funds, with any other available funds, (i) for public school facilities through grants to counties for public school capital outlay projects and repairs and renovations, in the amount of one billion fifty million dollars (\$1,050,000,000), (ii) for community college facilities for community college capital outlay projects and repairs and renovations, in the amount of three hundred million dollars (\$300,000,000), (iii) for The University of North Carolina facilities for capital outlay projects for constituent institutions and repairs and renovations at such institutions, in the amount of six hundred million dollars (\$600,000,000), and (iv) for public transportation infrastructure projects, including construction and renovation of highways, roads, bridges, and related road infrastructure, in the amount of one billion one hundred fifty million dollars (\$1,150,000,000).

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

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

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

- a. Construction of one or more new buildings located at a constituent institution of The University of North Carolina.
- b. Renovation of one or more existing buildings located at a constituent institution of The University of North Carolina.
- c. Construction, acquisition, and installation of technology infrastructure at or in support of a constituent institution of The University of North Carolina.
- d. Acquisition and installation of equipment for a building located at a constituent institution of The University of North Carolina that will be used for an instructional or related purpose.



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

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

g. Other related capital outlay projects to provide facilities for individual public schools that are used for instructional or related purposes. The term does not include projects for trailers, relocatable classrooms, mobile classrooms, or for facilities for centralized administration, other than administration of the project funded.

(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 questions 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 and Transportation 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 three billion one hundred million dollars (\$3,100,000,000) for the purpose of providing funds, with any other available funds, for the purposes authorized in this act. For public improvement bonds authorized by this section for transportation projects, although such bonds will constitute general obligation bonds, secured by the faith and credit and taxing power of the State, and although the funds deposited to the Highway Trust Fund are not specifically pledged to pay debt service on such bonds, it is the intent of the General Assembly that the debt service on such bonds will be provided from amounts deposited to the Highway Trust Fund. 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 and Transportation Bond and Note Proceeds. –

(1) Subject to the provisions of subdivision (2) of this subsection, one billion fifty million dollars (\$1,050,000,000) of the proceeds of education and transportation 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 and Transportation 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.

**Public Education**

LEA	ADM	Low-Wealth County	Base Allocation	Total
Alamance-Burlington Schools	\$ 7,648,075	\$ 1,395,764	\$ 5,000,000	\$ 14,043,839
Alexander County Schools	\$ 1,578,664	\$ 586,841	\$ 5,000,000	\$ 7,165,505
Alleghany County Schools	\$ 467,924	\$ 0	\$ 5,000,000	\$ 5,467,924
Anson County				

1	Schools	\$ 1,044,367	\$ 513,291	\$ 5,000,000	\$ 6,557,658
2	Ashe County				
3	Schools	\$ 974,345	\$ 0	\$ 5,000,000	\$ 5,974,345
4	Avery County				
5	Schools	\$ 629,873	\$ 0	\$ 5,000,000	\$ 5,629,873
6	Beaufort County				
7	Schools	\$ 2,107,651	\$ 316,504	\$ 5,000,000	\$ 7,424,155
8	Bertie County				
9	Schools	\$ 659,408	\$ 315,389	\$ 5,000,000	\$ 5,974,797
10	Bladen County				
11	Schools	\$ 1,358,640	\$ 669,175	\$ 5,000,000	\$ 7,027,815
12	Brunswick County				
13	Schools	\$ 4,264,749	\$ 0	\$ 5,000,000	\$ 9,264,749
14	Buncombe County				
15	Schools	\$ 7,871,085	\$ 0	\$ 4,227,958	\$ 12,099,043
16	Asheville City				
17	Schools	\$ 1,437,291	\$ 0	\$ 772,042	\$ 2,209,333
18	Burke County				
19	Schools	\$ 3,951,804	\$ 1,793,520	\$ 5,000,000	\$ 10,745,324
20	Cabarrus County				
21	Schools	\$ 11,435,275	\$ 0	\$ 4,320,644	\$ 15,755,919
22	Kannapolis City				
23	Schools	\$ 1,798,024	\$ 108,475	\$ 679,356	\$ 2,585,855
24	Caldwell County				
25	Schools	\$ 3,727,134	\$ 1,317,662	\$ 5,000,000	\$ 10,044,796
26	Camden County				
27	Schools	\$ 626,554	\$ 181,349	\$ 5,000,000	\$ 5,807,903
28	Carteret County				
29	Public Schools	\$ 2,685,089	\$ 0	\$ 5,000,000	\$ 7,685,089
30	Caswell County				
31	Schools	\$ 781,865	\$ 262,738	\$ 5,000,000	\$ 6,044,603
32	Catawba County				
33	Schools	\$ 5,225,819	\$ 0	\$ 3,453,896	\$ 8,679,715
34	Hickory City				
35	Schools	\$ 1,367,268	\$ 0	\$ 903,667	\$ 2,270,935
36	Newton-Conover City				
37	Schools	\$ 972,022	\$ 0	\$ 642,437	\$ 1,614,459
38	Chatham County				
39	Schools	\$ 3,010,314	\$ 0	\$ 5,000,000	\$ 8,010,314
40	Cherokee County				
41	Schools	\$ 1,029,434	\$ 96,667	\$ 5,000,000	\$ 6,126,101
42	Edenton-Chowan				
43	Schools	\$ 623,899	\$ 120,352	\$ 5,000,000	\$ 5,744,251
44	Clay County				
45	Schools	\$ 427,105	\$ 0	\$ 5,000,000	\$ 5,427,105
46	Cleveland County				
47	Schools	\$ 4,690,527	\$ 1,546,503	\$ 5,000,000	\$ 11,237,030
48	Columbus County				
49	Schools	\$ 1,790,392	\$ 1,140,313	\$ 3,555,423	\$ 6,486,128
50	Whiteville City				
51	Schools	\$ 727,440	\$ 463,311	\$ 1,444,577	\$ 2,635,328

1	Craven County				
2	Schools	\$ 4,412,096	\$ 601,492	\$ 5,000,000	\$ 10,013,588
3	Cumberland County				
4	Schools	\$ 16,706,228	\$ 5,308,410	\$ 5,000,000	\$ 27,014,638
5	Currituck County				
6	Schools	\$ 1,437,623	\$ 0	\$ 5,000,000	\$ 6,437,623
7	Dare County				
8	Schools	\$ 1,757,537	\$ 0	\$ 5,000,000	\$ 6,757,537
9	Davidson County				
10	Schools	\$ 6,173,615	\$ 1,333,577	\$ 3,886,637	\$ 11,393,829
11	Lexington City				
12	Schools	\$ 1,014,832	\$ 219,216	\$ 638,894	\$ 1,872,942
13	Thomasville City				
14	Schools	\$ 753,657	\$ 162,799	\$ 474,469	\$ 1,390,925
15	Davie County				
16	Schools	\$ 2,025,017	\$ 9,976	\$ 5,000,000	\$ 7,034,993
17	Duplin County				
18	Schools	\$ 3,204,452	\$ 1,890,485	\$ 5,000,000	\$ 10,094,937
19	Durham Public				
20	Schools	\$ 11,166,468	\$ 0	\$ 5,000,000	\$ 16,166,468
21	Edgecombe County				
22	Public Schools	\$ 1,865,392	\$ 1,112,629	\$ 5,000,000	\$ 7,978,021
23	Winston-Salem/Forsyth				
24	County Schools	\$ 17,846,503	\$ 0	\$ 5,000,000	\$ 22,846,503
25	Franklin County				
26	Schools	\$ 2,674,470	\$ 981,492	\$ 5,000,000	\$ 8,655,962
27	Gaston County				
28	Schools	\$ 10,279,403	\$ 1,115,247	\$ 5,000,000	\$16,394,650
29	Gates County				
30	Schools	\$ 529,319	\$ 248,238	\$ 5,000,000	\$ 5,777,557
31	Graham County				
32	Schools	\$ 378,322	\$ 27,805	\$ 5,000,000	\$ 5,406,127
33	Granville County				
34	Schools	\$ 2,399,689	\$ 1,157,036	\$ 5,000,000	\$ 8,556,725
35	Greene County				
36	Schools	\$ 956,092	\$ 633,314	\$ 5,000,000	\$ 6,589,406
37	Guilford County				
38	Schools	\$ 23,671,996	\$ 0	\$ 5,000,000	\$ 28,671,996
39	Halifax County				
40	Schools	\$ 728,104	\$ 337,492	\$ 1,920,181	\$ 2,985,777
41	Roanoke Rapids City				
42	Schools	\$ 917,265	\$ 425,172	\$ 2,419,046	\$ 3,761,483
43	Weldon City				
44	Schools	\$ 250,555	\$ 116,138	\$ 660,773	\$ 1,027,466
45	Harnett County				
46	Schools	\$ 6,865,546	\$ 3,769,036	\$ 5,000,000	\$ 15,634,582
47	Haywood County				
48	Schools	\$ 2,370,485	\$ 0	\$ 5,000,000	\$ 7,370,485
49	Henderson County				
50	Schools	\$ 4,467,848	\$ 0	\$ 5,000,000	\$ 9,467,848
51	Hertford County				

1	Schools	\$ 878,105	\$ 413,352	\$ 5,000,000	\$ 6,291,457
2	Hoke County				
3	Schools	\$ 3,000,358	\$ 2,113,521	\$ 5,000,000	\$ 10,113,879
4	Hyde County				
5	Schools	\$ 179,537	\$ 0	\$ 5,000,000	\$ 5,179,537
6	Iredell-Statesville				
7	Schools	\$ 6,864,550	\$ 0	\$ 3,862,168	\$ 10, 726,718
8	Mooreville Graded				
9	School District	\$ 2,022,363	\$ 0	\$ 1,137,832	\$ 3,160,195
10	Jackson County				
11	Schools	\$ 1,199,015	\$ 0	\$ 5,000,000	\$ 6,199,015
12	Johnston County				
13	Schools	\$ 12,556,635	\$ 4,806,835	\$ 5,000,000	\$ 22,363,470
14	Jones County				
15	Schools	\$ 342,149	\$ 50,899	\$ 5,000,000	\$ 5,393,048
16	Lee County				
17	Schools	\$ 3,285,095	\$ 935,237	\$ 5,000,000	\$ 9,220,332
18	Lenoir County Public				
19	Schools	\$ 2,816,175	\$ 1,197,400	\$ 5,000,000	\$ 9,013,575
20	Lincoln County				
21	Schools	\$ 3,785,210	\$ 0	\$ 5,000,000	\$ 8,785,210
22	Macon County				
23	Schools	\$ 1,489,393	\$ 0	\$ 5,000,000	\$ 6,489,393
24	Madison County				
25	Schools	\$ 747,352	\$ 22,880	\$ 5,000,000	\$ 5,770,232
26	Martin County				
27	Schools	\$ 946,468	\$ 455,188	\$ 5,000,000	\$ 6,401,656
28	McDowell County				
29	Schools	\$ 1,969,928	\$ 748,283	\$ 5,000,000	\$ 7,718,211
30	Charlotte-Mecklenburg				
31	Schools	\$ 49,259,495	\$ 0	\$ 5,000,000	\$ 54,259,495
32	Mitchell County				
33	Schools	\$ 609,961	\$ 38,950	\$ 5,000,000	\$ 5,648,911
34	Montgomery County				
35	Schools	\$ 1,225,896	\$ 260,409	\$ 5,000,000	\$ 6,486,305
36	Moore County				
37	Schools	\$ 4,315,192	\$ 0	\$ 5,000,000	\$ 9,315,192
38	Nash-Rocky Mount				
39	Schools	\$ 4,982,897	\$ 1,825,582	\$ 5,000,000	\$ 11,808,479
40	New Hanover County				
41	Schools	\$ 8,629,057	\$ 0	\$ 5,000,000	\$ 13,629,057
42	Northampton County				
43	Schools	\$ 466,929	\$ 205,922	\$ 5,000,000	\$ 5,672,851
44	Onslow County				
45	Schools	\$ 9,162,026	\$ 1,693,271	\$ 5,000,000	\$ 15,855,297
46	Orange County				
47	Schools	\$ 2,449,468	\$ 0	\$ 1,874,016	\$ 4,323,484
48	Chapel Hill-Carrboro				
49	City Schools	\$ 4,085,876	\$ 0	\$ 3,125,984	\$ 7,211,860
50	Pamlico County				
51	Schools	\$ 413,831	\$ 9,389	\$ 5,000,000	\$ 5,423,220

1	Elizabeth City-				
2	Pasquotank Public				
3	Schools	\$ 1,738,289	\$ 578,327	\$ 5,000,000	\$ 7,316,616
4	Pender County				
5	Schools	\$ 3,309,652	\$ 836,129	\$ 5,000,000	\$ 9,145,781
6	Perquimans County				
7	Schools	\$ 542,261	\$ 30,536	\$ 5,000,000	\$ 5,572,797
8	Person County				
9	Schools	\$ 1,435,632	\$ 230,478	\$ 5,000,000	\$ 6,666,110
10	Pitt County				
11	Schools	\$ 7,906,926	\$ 2,220,436	\$ 5,000,000	\$ 15,127,362
12	Polk County				
13	Schools	\$ 701,223	\$ 0	\$ 5,000,000	\$ 5,701,223
14	Randolph County				
15	Schools	\$ 5,249,050	\$ 2,046,442	\$ 3,874,627	\$ 11,170,119
16	Asheboro City				
17	Schools	\$ 1,524,571	\$ 594,383	\$ 1,125,373	\$ 3,244,327
18	Richmond County				
19	Schools	\$ 2,329,002	\$ 1,326,092	\$ 5,000,000	\$ 8,655,094
20	Public Schools of				
21	Robeson County	\$ 7,070,968	\$ 5,554,180	\$ 5,000,000	\$ 17,625,148
22	Rockingham County				
23	Schools	\$ 3,843,285	\$ 1,580,069	\$ 5,000,000	\$ 10,423,354
24	Rowan-Salisbury				
25	Schools	\$ 6,224,390	\$ 1,577,179	\$ 5,000,000	\$ 12,801,569
26	Rutherford County				
27	Schools	\$ 2,527,124	\$ 812,484	\$ 5,000,000	\$ 8,339,608
28	Sampson County				
29	Schools	\$ 2,655,554	\$ 1,473,254	\$ 3,653,215	\$ 7,782,023
30	Clinton City				
31	Schools	\$ 978,991	\$ 543,127	\$ 1,346,785	\$ 2,868,903
32	Scotland County				
33	Schools	\$ 1,857,427	\$ 1,218,594	\$ 5,000,000	\$ 8,076,021
34	Stanly County				
35	Schools	\$ 2,770,378	\$ 842,575	\$ 5,000,000	\$ 8,612,953
36	Stokes County				
37	Schools	\$ 1,928,446	\$ 626,323	\$ 5,000,000	\$ 7,554,769
38	Surry County				
39	Schools	\$ 2,466,725	\$ 729,233	\$ 3,626,562	\$ 6,822,520
40	Elkin City				
41	Schools	\$ 399,561	\$ 118,122	\$ 587,432	\$ 1,105,115
42	Mount Airy City				
43	Schools	\$ 534,628	\$ 158,051	\$ 786,006	\$ 1,478,685
44	Swain County				
45	Schools	\$ 645,802	\$ 40,233	\$ 5,000,000	\$ 5,686,035
46	Transylvania County				
47	Schools	\$ 1,122,023	\$ 0	\$ 5,000,000	\$ 6,122,023
48	Tyrrell County				
49	Schools	\$ 208,741	\$ 111,732	\$ 5,000,000	\$ 5,320,473
50	Union County Public				
51	Schools	\$ 13,929,545	\$ 0	\$ 5,000,000	\$18,929,545



1	Vance County				
2	Schools	\$ 1,755,214	\$ 1,067,286	\$ 5,000,000	\$ 7,822,500
3	Wake County				
4	Schools	\$ 54,335,975	\$ 0	\$ 5,000,000	\$ 59,335,975
5	Warren County				
6	Schools	\$ 592,372	\$ 46,144	\$ 5,000,000	\$ 5,638,516
7	Washington County				
8	Schools	\$ 403,543	\$ 111,336	\$ 5,000,000	\$ 5,514,879
9	Watauga County				
10	Schools	\$ 1,577,005	\$ 0	\$ 5,000,000	\$ 6,577,005
11	Wayne County Public				
12	Schools	\$ 5,984,122	\$ 2,796,925	\$ 5,000,000	\$ 13,781,047
13	Wilkes County				
14	Schools	\$ 2,987,747	\$ 912,276	\$ 5,000,000	\$ 8,900,023
15	Wilson County				
16	Schools	\$ 3,637,199	\$ 1,235,667	\$ 5,000,000	\$ 9,872,866
17	Yadkin County				
18	Schools	\$ 1,685,191	\$ 527,865	\$ 5,000,000	\$ 7,213,056
19	Yancey County				
20	Schools	\$ 693,922	\$ 0	\$ 5,000,000	\$ 5,693,922
21	<b>Total</b>	<b>\$ 474,999,996</b>	<b>\$ 75,000,004</b>	<b>\$ 500,000,000</b>	

**Total for Public Education****\$ 1,050,000,000**

(1a) Subject to the provisions of subdivision (2) of this subsection, six hundred million dollars (\$600,000,000) of the proceeds of education and transportation 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**

33	Appalachian State University	Wey Hall Renovation		\$20,000,000
36	East Carolina University	Brody School of Medicine Building		\$172,000,000
39	Elizabeth City State University	HVAC Replacement		\$4,000,000
42	Elizabeth City State University	Chiller		\$2,000,000
45	Elizabeth City State University	Crime Lab		\$2,500,000
48	Fayetteville State University	Rosenthal and Chick Bldg. Renovation		\$11,000,000
51	NC State University	STEM Building		\$80,000,000

1			
2	North Carolina	Carver Hall Renovation	\$18,500,000
3	A & T State		
4	University		
5			
6	UNC – Chapel Hill	Business Building	\$75,000,000
7			
8	UNC – Chapel Hill	Carrington Hall Renovation	\$40,000,000
9			
10	UNC – Charlotte	Cameron and Burson Renovation	\$45,000,000
11			
12	UNC – Greensboro	Jackson Library Renovation/Addition	\$55,000,000
13			
14	UNC – Pembroke	Health Sciences Center	\$75,000,000
15			
16	<b>Total for The University of North Carolina</b>		<b>\$600,000,000</b>
17			

(1b) Subject to the provisions of subdivision (2) of this subsection, three hundred million dollars (\$300,000,000) of the proceeds of education and transportation 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 amount set forth below:

**NC Community Colleges**

24			
25			
26	Various Statewide	Technology Upgrades, New Construction, Repairs, Renovations	\$300,000,000
27			
28			
29	<b>Total for NC Community Colleges</b>		<b>\$300,000,000</b>
30			

(1c) Subject to the provisions of subdivision (2) of this subsection, one billion one hundred fifty million dollars (\$1,150,000,000) of the proceeds of education and transportation bonds and notes, including premium thereon, if any, shall be used for paying the costs of supplemental highway funding for construction and renovations in the following general amount set forth below:

**Transportation**

37			
38			
39	Various Statewide	Supplemental Highway Funding	\$1,150,000,000
40			
41	<b>Total for Transportation</b>		<b>\$1,150,000,000</b>
42			

(2) Special allocation provisions. – In determining the use of the proceeds of education and transportation 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

1 public school capital outlay project. With respect to proceeds allocated  
2 in subdivision (1) of this subsection:

- 3 1. The proceeds shall be used for new construction or  
4 rehabilitation of existing facilities and repairs and renovations.  
5 Any items purchased with such proceeds and installed or  
6 replaced as part of a renovation or rehabilitation must have a  
7 useful life of at least 10 years or must extend the life of the  
8 facility by at least 10 years once renovated or rehabilitated.
- 9 2. In the case of a local school administrative unit located entirely  
10 in one county, the unit's total distribution amount shall be  
11 allocated to that county. In the case of a local school  
12 administrative unit located in more than one county, the unit's  
13 distribution amount shall be allocated among the counties in  
14 which the unit is located in proportion to average daily  
15 membership of the unit in each county. A unit's distribution  
16 amount allocated to a county may be used only with respect to  
17 public school facilities of that unit. If two or more local school  
18 administrative units are consolidated into one unit, the  
19 distribution amounts provided in subdivision (1) of this  
20 subsection for the units shall be considered the distribution  
21 amount for the merged unit.
- 22 3. Local matching fund requirement for bond proceeds shall be  
23 as follows:
  - 24 I. A county shall not be required to provide local  
25 matching funds for the bond proceeds if any portion of  
26 the proceeds results from low-wealth county  
27 allocations.
  - 28 II. A county shall be required to provide local matching  
29 funds for the bond proceeds if the county does not  
30 receive any portion of the proceeds from low-wealth  
31 county allocations. The county shall provide local  
32 matching funds from county funds, other non-State  
33 funds, or a combination of these sources for such  
34 proceeds. The amount of matching funds shall be (i)  
35 one dollar (\$1.00) of local matching funds for every  
36 three dollars (\$3.00) of such proceeds for a local school  
37 administrative unit located in a county that is a  
38 development tier one area, as defined in  
39 G.S. 143B-437.08, (ii) one dollar (\$1.00) of local  
40 matching funds for every two dollars (\$2.00) of such  
41 proceeds for a local school administrative unit located  
42 in a county that is a development tier two area, as  
43 defined in G.S. 143B-437.08, and (iii) one dollar  
44 (\$1.00) of local matching funds for every one dollar  
45 (\$1.00) of such proceeds for a local school  
46 administrative unit located in a county that is a  
47 development tier three area, as defined in  
48 G.S. 143B-437.08. The match requirement may be  
49 satisfied by non-State expenditures for public school  
50 facilities made on or after January 1, 2015. If a debt has  
51 been incurred since January 1, 2015, for the general

1 purpose of public school facilities, then the face  
2 amount of the debt shall be considered as a non-State  
3 expenditure for public school facilities for the purpose  
4 of the match. No other expenditures made or debts  
5 incurred before January 1, 2015, may be used to satisfy  
6 the match requirement. As counties satisfy the match  
7 requirements of this sub-sub-sub-subdivision, they  
8 shall document the extent to which they have done so  
9 in periodic reports to the State Board of Education.  
10 These reports shall include any information and  
11 documentation required by the State Board of  
12 Education. The State Board of Education shall certify  
13 to the State Treasurer from time to time the extent to  
14 which the match requirements of this  
15 sub-sub-sub-subdivision have been met with respect to  
16 each county. Bond proceeds shall be distributed for  
17 expenditure only as, and to the extent, the matching  
18 requirement of this sub-sub-sub-subdivision are  
19 satisfied, as certified by the State Board of Education.  
20 If the State Board of Education determines that a  
21 county has not met the matching requirement set forth  
22 in this sub-sub-sub-subdivision by January 1, 2026, the  
23 State Board of Education shall certify that fact to the  
24 State Treasurer by March 1, 2026. 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.       With respect to capital outlay projects for a constituent institution to  
2                   be financed with the proceeds of the bonds issued under this act and  
3                   allocated in subdivision (1a) of this subsection, the proceeds shall be  
4                   used for new construction or rehabilitation of existing facilities and  
5                   repairs and renovations. Any items purchased with such proceeds and  
6                   installed or replaced as part of a renovation or rehabilitation must have  
7                   a useful life of at least 10 years or must extend the life of the facility  
8                   by at least 10 years once renovated or rehabilitated. Local matching  
9                   fund requirements to receive bond proceeds shall be as follows:
- 10                  1.       For projects for new construction, the constituent institution  
11                  receiving the proceeds shall provide matching funds from other  
12                  non-State funds.
- 13                  2.       For rehabilitation of existing facilities and repairs and  
14                  renovations, constituent institutions shall not be required to  
15                  match bond proceeds allocated in this act.
- 16                  c.       The community college capital outlay projects to be financed with the  
17                  proceeds of the bonds issued under this act shall be determined by the  
18                  Community Colleges System Office based upon the criteria set forth  
19                  in this act, and upon application by the community college in which  
20                  the community college capital outlay projects is to be located or that  
21                  will otherwise be served by the community college capital outlay  
22                  projects. With respect to proceeds allocated in subdivision (1b) of this  
23                  subsection:
- 24                  1.       The proceeds shall be used for upgrades to the enterprise  
25                  resource planning information technology ("the ERP system"),  
26                  new construction or rehabilitation of existing facilities, and  
27                  repairs and renovations.
- 28                  2.       Any items purchased with such proceeds for new construction  
29                  or rehabilitation of existing facilities and repairs and  
30                  renovations and installed or replaced as part of a renovation or  
31                  rehabilitation must have a useful life of at least 10 years or  
32                  must extend the life of the facility by at least 10 years once  
33                  renovated or rehabilitated. Local matching fund requirements  
34                  to receive bond proceeds shall be as follows:
- 35                  I.       For projects for new construction, the community  
36                  college receiving the proceeds shall provide local  
37                  matching funds from county funds, other non-State  
38                  funds, or a combination of these sources for such  
39                  proceeds. The amount of matching funds shall be (i)  
40                  one dollar (\$1.00) of local matching funds for every  
41                  three dollars (\$3.00) of such proceeds for a community  
42                  college with a main campus located in a development  
43                  tier one area, as defined in G.S. 143B-437.08, (ii) one  
44                  dollar (\$1.00) of local matching funds for every two  
45                  dollars (\$2.00) of such proceeds for a community  
46                  college with a main campus located in a development  
47                  tier two area, as defined in G.S. 143B-437.08, and (iii)  
48                  one dollar (\$1.00) of local matching funds for every  
49                  one dollar (\$1.00) of such proceeds for a community  
50                  college with a main campus located in a development  
51                  tier three area, as defined in G.S. 143B-437.08. The

- 1 provisions of G.S. 115D-31, or any other provision of  
2 law permitting prior expenditures to be used for match  
3 purposes, do not apply for purposes of meeting the  
4 matching funds requirements of this act.
- 5 II. For rehabilitation of existing facilities and repairs and  
6 renovations, community colleges are not required to  
7 match bond proceeds allocated in this act.
- 8 III. No funds shall be required to match bond proceeds  
9 allocated in this act for the ERP system project.
- 10 3. In determining between projects for which bond proceeds are  
11 allocated, the Community Colleges System Office shall give  
12 first priority to the ERP system project and shall prioritize  
13 allocation of the remainder of funds among projects for new  
14 construction and repairs and renovations by ranking the  
15 projects for the various community colleges according to three  
16 components, as follows: (i) the development factor ranking by  
17 the Secretary of Commerce, as provided in G.S. 143B-437.08,  
18 for identification of the development tier of the county in  
19 which the project is located, which shall be single weighted,  
20 (ii) the community college's repairs and renovations needs,  
21 which shall be double weighted, and (iii) the community  
22 college's additional square footage needs, which shall be single  
23 weighted.
- 24 d. The proceeds of bonds issued under this act, including premium  
25 thereon, if any, for statewide supplemental highway funding for  
26 transportation, as provided in subdivision (1c) of this subsection, shall  
27 be determined by the State Board of Transportation using the process  
28 set forth in Article 14B of Chapter 136 of the General Statutes and  
29 issued only for highway projects satisfying all of the following  
30 conditions:
- 31 1. An environmental impact statement, if required by law, was  
32 completed prior to January 1, 2020.
  - 33 2. Construction on the project is projected by the Department of  
34 Transportation to commence by January 1, 2022.
  - 35 3. The project meets the requirements set forth in Article 14B of  
36 Chapter 136 of the General Statutes.

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

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

48 Any additional monies that may be received by means of a grant or grants  
49 from the United States of America or any agency or department thereof or  
50 from any other source for deposit to the Education and Transportation Bonds  
51 Fund may be placed in the Education and Transportation Bonds Fund or in a

1 separate account or fund and shall be disbursed, to the extent permitted by the  
2 terms of the grant or grants, without regard to any limitations imposed by this  
3 act.

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

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

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

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

41 **SECTION 1.(g) Election.** – The questions of the issuance of the bonds authorized  
42 by this act shall be submitted to the qualified voters of the State at the time of the general election  
43 in 2020, which election shall be held under and in accordance with the general laws of the State.

44 The bond questions to be used in the ballots or voting systems shall be in substantially  
45 the following forms:

46 "[ ] FOR [ ] AGAINST

47 The issuance of one billion nine hundred fifty million dollars (\$1,950,000,000) State  
48 of North Carolina Education Bonds constituting general obligation bonds of the State secured by  
49 a pledge of the faith and credit and taxing power of the State for the purpose of providing funds,  
50 with any other available funds, to fund capital improvements, construction of new facilities, and  
51 the renovation and rehabilitation of existing facilities for the State's public education system in

1 local school administrative units, community colleges of the North Carolina Community College  
2 System, and constituent institutions of The University of North Carolina."

3 "[ ] FOR [ ] AGAINST

4 The issuance of one billion one hundred fifty million dollars (\$1,150,000,000) State  
5 of North Carolina Transportation Bonds constituting general obligation bonds of the State  
6 secured by a pledge of the faith and credit and taxing power of the State for the purpose of  
7 providing funds, with any other available funds, to fund the construction and renovation of  
8 highways, roads, bridges, and related road infrastructure."

9 If a majority of those voting on a bond question in the election vote in favor of the  
10 issuance of the bonds described in the question, those bonds may be issued as provided in this  
11 act. If a majority of those voting on a bond question in the election do not vote in favor of the  
12 issuance of the bonds described in the question, those bonds shall not be issued.

13 The results of the election shall be canvassed and declared as provided in Chapter 163  
14 of the General Statutes; the results of the election shall be certified by the State Board to the  
15 Secretary of State.

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

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

29 (2) Signatures; form and denomination; registration. – Bonds or notes may be  
30 issued as certificated or uncertificated obligations. If issued as certificated  
31 obligations, bonds or notes shall be signed on behalf of the State by the  
32 Governor or shall bear the Governor's facsimile signature, shall be signed by  
33 the State Treasurer or shall bear the State Treasurer's facsimile signature, and  
34 shall bear the Great Seal of the State of North Carolina or a facsimile thereof  
35 shall be impressed or imprinted thereon. If bonds or notes bear the facsimile  
36 signatures of the Governor and the State Treasurer, the bonds or notes shall  
37 also bear a manual signature, which may be that of a bond registrar, trustee,  
38 paying agent, or designated assistant of the State Treasurer. Should any officer  
39 whose signature or facsimile signature appears on bonds or notes cease to be  
40 such officer before the delivery of the bonds or notes, the signature or  
41 facsimile signature shall nevertheless have the same validity for all purposes  
42 as if the officer had remained in office until delivery, and bonds or notes may  
43 bear the facsimile signatures of persons who at the actual time of the execution  
44 of the bonds or notes shall be the proper officers to sign any bond or note,  
45 although at the date of the bond or note such persons may not have been such  
46 officers. The form and denomination of bonds or notes, including the  
47 provisions with respect to registration of the bonds or notes and any system  
48 for their registration, shall be as the State Treasurer may determine in  
49 conformity with this section; provided, however, that nothing in this section  
50 shall prohibit the State Treasurer from proceeding, with respect to the issuance  
51 and form of the bonds or notes, under the provisions of Chapter 159E of the



- 1 General Statutes, the Registered Public Obligations Act, as well as under this  
2 section.
- 3 (3) Manner of sale; expenses. – Subject to the consent of the Council of State, the  
4 State Treasurer shall determine the manner in which bonds or notes shall be  
5 offered for sale, whether at public or private sale, whether within or without  
6 the United States of America, and whether by publishing notices in certain  
7 newspapers and financial journals, mailing notices, inviting bids by  
8 correspondence, negotiating contracts of purchase, or otherwise, and the State  
9 Treasurer is authorized to sell bonds or notes at one time or from time to time  
10 at such rate or rates of interest, which may vary from time to time, and at such  
11 price or prices, including a price less than the face amount of the bonds or the  
12 notes, as the State Treasurer may determine. All expenses incurred in  
13 preparation, sale, and issuance of bonds or notes shall be paid by the State  
14 Treasurer from the proceeds of bonds or notes or other available monies.
- 15 (4) Notes; repayment. –
- 16 a. Subject to the consent of the Council of State, the State Treasurer is  
17 hereby authorized to borrow money and to execute and issue notes of  
18 the State for the same, but only in the following circumstances and  
19 under the following conditions:
- 20 1. For anticipating the sale of bonds to the issuance of which the  
21 Council of State shall have given consent, if the State Treasurer  
22 shall deem it advisable to postpone the issuance of the bonds.
- 23 2. For the payment of interest on or any installment of principal  
24 of any bonds then outstanding, if there shall not be sufficient  
25 funds in the State treasury with which to pay the interest or  
26 installment of principal as they respectively become due.
- 27 3. For the renewal of any loan evidenced by notes herein  
28 authorized.
- 29 4. For the purposes authorized in this act.
- 30 5. For refunding bonds or notes as herein authorized.
- 31 b. Funds derived from the sale of bonds or notes may be used in the  
32 payment of any bond anticipation notes issued under this section.  
33 Funds provided by the General Assembly for the payment of interest  
34 on or principal of bonds shall be used in paying the interest on or  
35 principal of any notes and any renewals thereof, the proceeds of which  
36 shall have been used in paying interest on or principal of the bonds.
- 37 (5) Refunding bonds and notes. – By and with the consent of the Council of State,  
38 the State Treasurer is authorized to issue and sell refunding bonds and notes  
39 pursuant to the provisions of the State Refunding Bond Act for the purpose of  
40 refunding bonds or notes issued pursuant to this act. The refunding bonds and  
41 notes may be combined with any other issues of State bonds and notes  
42 similarly secured.
- 43 (6) Tax exemption. – Bonds and notes shall be exempt from all State, county, and  
44 municipal taxation or assessment, direct or indirect, general or special,  
45 whether imposed for the purpose of general revenue or otherwise, excluding  
46 inheritance and gift taxes, income taxes on the gain from the transfer of bonds  
47 and notes, and franchise taxes. The interest on bonds and notes shall not be  
48 subject to taxation as to income.
- 49 (7) Investment eligibility. – Bonds and notes are hereby made securities in which  
50 all public officers, agencies, and public bodies of the State and its political  
51 subdivisions; all insurance companies, trust companies, investment

1 companies, banks, savings banks, savings and loan associations, credit unions,  
2 pension or retirement funds, other financial institutions engaged in business  
3 in the State; executors, administrators, trustees, and other fiduciaries may  
4 properly and legally invest funds, including capital in their control or  
5 belonging to them. Bonds and notes are hereby made securities that may  
6 properly and legally be deposited with and received by any officer or agency  
7 of the State or political subdivision of the State for any purpose for which the  
8 deposit of bonds, notes, or obligations of the State or any political subdivision  
9 of the State is now or may hereafter be authorized by law.

- 10 (8) Faith and credit. – The faith and credit and taxing power of the State are hereby  
11 pledged for the payment of the principal of and the interest on bonds and notes.

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

- 14 (1) Be made payable from time to time on demand or tender for purchase by the  
15 owner thereof, provided a credit facility agreement supports the bonds or  
16 notes, unless the State Treasurer specifically determines that a credit facility  
17 agreement is not required, upon a finding and determination by the State  
18 Treasurer that the absence of a credit facility agreement will not materially or  
19 adversely affect the financial position of the State and the marketing of the  
20 bonds or notes at a reasonable interest cost to the State;  
21 (2) Be additionally supported by a credit facility agreement;  
22 (3) Be made subject to redemption or a mandatory tender for purchase prior to  
23 maturity;  
24 (4) Bear interest at a rate or rates that may vary for such period or periods of time,  
25 all as may be provided in the proceedings providing for the issuance of the  
26 bonds or notes, including, without limitation, such variations as may be  
27 permitted pursuant to a par formula; and  
28 (5) Be made the subject of a remarketing agreement whereby an attempt is made  
29 to remarket bonds or notes to new purchasers prior to their presentment for  
30 payment to the provider of the credit facility agreement or to the State.

31 If the aggregate principal amount repayable by the State under a credit facility  
32 agreement is in excess of the aggregate principal amount of bonds or notes secured by the credit  
33 facility agreement, whether as a result of the inclusion in the credit facility agreement of a  
34 provision for the payment of interest for a limited period of time or the payment of a redemption  
35 premium or for any other reason, then the amount of authorized but unissued bonds or notes  
36 during the term of such credit facility agreement shall not be less than the amount of such excess,  
37 unless the payment of such excess is otherwise provided for by agreement of the State executed  
38 by the State Treasurer.

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

- 40 (1) Additional method. – The foregoing subsections of this section shall be  
41 deemed to provide an additional and alternative method for the doing of the  
42 things authorized thereby and shall be regarded as supplemental and  
43 additional to powers conferred by other laws and shall not be regarded as in  
44 derogation of any powers now existing.  
45 (2) Statutory references. – References in this act to specific sections or Chapters  
46 of the General Statutes or to specific acts are intended to be references to these  
47 sections, Chapters, or acts as they may be amended from time to time by the  
48 General Assembly.  
49 (3) Broad construction. – The General Assembly specifically has chosen to  
50 combine what otherwise might be considered differing projects to be financed  
51 into one bond bill and bond question because the General Assembly finds that

1 such differing projects, when taken together, constitute an interrelated, united,  
2 and single plan for the State's public education system as stated aforesaid.  
3 Accordingly, this act, being necessary for the health, welfare, and  
4 advancement of the people of the State, shall be broadly construed to affect  
5 the purposes thereof.

6 (4) Inconsistent provisions. – Insofar as the provisions of this section are  
7 inconsistent with the provisions of any general laws, or parts thereof, the  
8 provisions of this act shall be controlling.

9 (5) Severability. – If any provision of this section or the application thereof to any  
10 person or circumstance is held invalid, such invalidity shall not affect other  
11 provisions or applications of the act that can be given effect without the invalid  
12 provision or application, and to this end, the provisions of this section are  
13 declared to be severable.

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

19 **SECTION 2.** Each entity, upon receiving the proceeds of education and  
20 transportation bonds and notes, including premium thereon, if any, issued pursuant to and for  
21 projects listed in Section 1 of this act, shall administer, supervise, and ensure that use of the  
22 proceeds comport with the purposes provided in this act. Each local school administrative unit,  
23 along with the corresponding board of county commissioners, shall jointly submit to the State  
24 Board of Education a plan for the expenditure of proceeds allocated to it under this act. After the  
25 State Board of Education determines that a local school administrative unit's planned expenditure  
26 of part or all of the proceeds allocated to it is within the purposes provided in this act, the State  
27 Board of Education shall make the proceeds to which the plans apply available to the local school  
28 administrative unit. Each local school administrative unit receiving the proceeds of education  
29 and transportation bonds and notes, including premium thereon, if any, issued pursuant to Section  
30 1 of this act shall report by January 1, 2022, and quarterly thereafter, to the State Board of  
31 Education on the projects funded from education and transportation general obligation bonds  
32 authorized by Section 1 of this act, and the State Board of Education shall combine the reports  
33 and submit them to the Joint Legislative Capital Oversight Committee, the House of  
34 Representatives Appropriations Committee, and the Senate Committee on Appropriations/Base  
35 Budget. Each report shall include the total project costs, the amount to be funded from the bonds,  
36 the expenditures to date from the bonds and other sources, and the percentage of each project  
37 completed.

38 Each constituent institution of The University of North Carolina receiving the  
39 proceeds of education and transportation bonds and notes, including premium thereon, if any,  
40 issued pursuant to subdivision (1a) of Section 1(e) of this act shall report by January 1, 2022, and  
41 quarterly thereafter, to the Joint Legislative Oversight Committee on Capital Improvements, the  
42 House of Representatives Appropriations Committee, and the Senate Committee on  
43 Appropriations/Base Budget on the projects funded from education and transportation general  
44 obligation bonds authorized by Section 1 of this act. Each report shall include the total project  
45 costs, the amount to be funded from the bonds, the expenditures to date from the bonds and other  
46 sources, and the percentage of each project completed.

47 Community colleges receiving the proceeds of education and transportation bonds  
48 and notes, including premium thereon, if any, issued pursuant to subdivision (1b) of Section 1(e)  
49 of this act shall report by January 1, 2022, and quarterly thereafter, to the North Carolina  
50 Community Colleges System Office on the projects funded from education and transportation  
51 general obligation bonds authorized by Section 1 of this act, and the System Office shall combine

1 the reports and submit them to the Joint Legislative Oversight Committee on Capital  
2 Improvements, the House of Representatives Appropriations Committee, and the Senate  
3 Committee on Appropriations/Base Budget. Each report shall include the total project costs, the  
4 amount to be funded from the bonds, the expenditures to date from the bonds and other sources,  
5 and the percentage of each project completed.

6 The Department of Transportation shall, with respect to received proceeds of  
7 education and transportation bonds and notes, including premium thereon, if any, issued pursuant  
8 to subdivision (1a) of Section 1(e) of this act, report by January 1, 2022, and quarterly thereafter,  
9 to the Joint Legislative Oversight Committee on Transportation, the House of Representatives  
10 Appropriations Committee, and the Senate Committee on Appropriations/Base Budget on the  
11 projects funded from education and transportation general obligation bonds authorized by  
12 Section 1 of this act. Each report shall include the total project costs, the amount to be funded  
13 from the bonds, the expenditures to date from the bonds and other sources, and the percentage of  
14 each project completed.

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

19 (1) To address unforeseen contingencies related to the specific project for which  
20 the funds were made available.

21 (2) To address inflation costs related to that specific project.

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

26 **SECTION 4.** Any funds from the Education and Transportation Bonds authorized  
27 by this act that are expended for school technology for public schools shall be reported to the  
28 State Board of Education and shall be credited against the judgment in *N.C. Sch. Bds. Ass'n. v.*  
29 *Moore*, No. 98-CVS-14159 (N.C. Super. Ct.).

30 **SECTION 5.** This act is effective when it becomes law.