

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 241

Short Title: Education Bond Act of 2019. (Public)

Sponsors: Representatives Moore, Johnson, Elmore, and Horn (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Education - K-12, if favorable, Finance, if favorable, Appropriations, Capital, if favorable, Rules, Calendar, and Operations of the House

March 4, 2019

A BILL TO BE ENTITLED

AN ACT TO ENACT THE EDUCATION BOND ACT OF 2019.

The General Assembly of North Carolina enacts:

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

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 one billion nine hundred million dollars (\$1,900,000,000) 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 five hundred million dollars (\$1,500,000,000), (ii) for community college facilities for community college capital outlay projects and repairs and renovations, in the amount of two hundred million dollars (\$200,000,000), and (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 two hundred million dollars (\$200,000,000).

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

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

(1a) Capital outlay project for a constituent institution. – A project for the construction of one or more new buildings or the renovation of one or more existing buildings located at a constituent institution of The University of North Carolina, for the building of technology infrastructure, for the purchase of equipment for a building located at a constituent institution of The University of North Carolina where the building has never been used for education purposes or equipment related to the improvement of an existing constituent institution building that will be used at the building or become affixed to the building during its use for education, for the purchase of land necessary for construction to commence within 24 months of one or more constituent institution buildings, and for other related capital outlay projects to provide facilities for individual constituent institutions that are used for instructional or related purposes. The term does not include projects for facilities for centralized administration, trailers, relocatable classrooms, or mobile classrooms.



1 (1b) Community college capital outlay project. – A project for the construction of
2 one or more new community college buildings located on a community
3 college campus or the renovation of one or more existing community college
4 buildings, for the building of the enterprise resource planning information
5 technology and other technology infrastructure, for the purchase of equipment
6 for a community college building that has never been used for community
7 college purposes or equipment related to the improvement of an existing
8 community college building that will be used at the building or become
9 affixed to the building during its use for education, for the purchase of land
10 necessary for construction to commence within 24 months of one or more
11 community college buildings, and for other related capital outlay projects to
12 provide facilities for individual community college campuses that are used for
13 instructional or related purposes. The term does not include projects for
14 facilities for centralized administration, trailers, relocatable classrooms, or
15 mobile classrooms.

16 (2) Cost. – Without intending thereby to limit or restrict any proper definition of
17 this term in financing the cost of public school capital outlay projects
18 authorized by this section, any of the following:

- 19 a. The cost of constructing, reconstructing, enlarging, acquiring, and
20 improving projects and acquiring equipment and land therefor.
- 21 b. The cost of engineering, architectural, and other consulting services as
22 may be required.
- 23 c. Administrative expenses and charges, including expenses related to
24 determining compliance with applicable requirements of federal law
25 and expenses relating to issuance. Nothing in this section shall permit
26 use of bond funds to pay salaries or fees for bond administration; such
27 salaries and fees shall come from funds appropriated by the General
28 Assembly.
- 29 d. Finance charges and interest prior to and during construction and, if
30 deemed advisable by the State Treasurer, for a period not exceeding
31 three years after the estimated date of completion of construction.
- 32 e. The cost of bond insurance, investment contracts, credit enhancement
33 and liquidity facilities, interest rate swap agreements or other
34 derivative products, financial and legal consultants, and related costs
35 of bond and note issuance, to the extent and as determined by the State
36 Treasurer.
- 37 f. The cost of reimbursing the State for any payments made for any cost
38 described in this subdivision.
- 39 g. Any other costs and expenses necessary or incidental to the purposes
40 of this section.

41 Allocations in this section of proceeds of bonds to the costs of a project or
42 undertaking in each case may include allocations to pay the costs set forth in
43 sub-subdivisions c. through g. of this subdivision in connection with the
44 issuance of bonds for the project or undertaking.

45 (3) Credit facility agreement. – An agreement entered into by the State Treasurer
46 on behalf of the State with a bank, savings and loan association, or other
47 banking institution; an insurance company, reinsurance company, surety
48 company, or other insurance institution; a corporation, investment banking
49 firm, or other investment institution; or any financial institution or other
50 similar provider of a credit facility agreement, which provider may be located
51 within or without the United States of America, such agreement providing for

1 prompt payment of all or any part of the principal or purchase price (whether
2 at maturity, presentment or tender for purchase, redemption, or acceleration),
3 redemption premium, if any, and interest on any bonds or notes payable on
4 demand or tender by the owner, in consideration of the State agreeing to repay
5 the provider of the credit facility agreement in accordance with the terms and
6 provisions of such agreement.

7 (4) Notes. – Notes issued under this section.

8 (5) Par formula. – Any provision or formula adopted by the State to provide for
9 the adjustment, from time to time, of the interest rate or rates borne by any
10 bonds or notes, including the following:

11 a. A provision providing for such adjustment so that the purchase price
12 of such bonds or notes in the open market would be as close to par as
13 possible;

14 b. A provision providing for such adjustment based upon a percentage or
15 percentages of a LIBOR rate, a prime rate, or base rate, which
16 percentage or percentages may vary or be applied for different periods
17 of time; or

18 c. Such other provision as the State Treasurer may determine to be
19 consistent with this section and will not materially and adversely affect
20 the financial position of the State and the marketing of bonds or notes
21 at a reasonable interest cost to the State.

22 (6) Public school capital outlay project. – A project for the construction of one or
23 more new public school buildings or the renovation of one or more existing
24 public school buildings, for the building of technology infrastructure, for the
25 purchase of measures to ensure building security, for the purchase of
26 equipment for a public school building that has never been used for public
27 education purposes or equipment related to the improvement of an existing
28 public school building that will be used at the building or become affixed to
29 the building during its use for public education, for the purchase of land
30 necessary for construction to commence within 24 months of one or more
31 school buildings, and for other related capital outlay projects to provide
32 facilities for individual schools that are used for instructional or related
33 purposes. The term does not include projects for facilities for centralized
34 administration, trailers, relocatable classrooms, or mobile classrooms.

35 (7) State. – The State of North Carolina.

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

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

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

13	LEA	ADM	Low-Wealth	ADM	Adjustment	Total
14			County	Growth	Factor	
15	Alamance-Burlington					
16	Schools	\$ 4,011,009	\$11,774,969	\$ 536,440	\$0	\$16,322,419
17	Alexander County					
18	Schools	\$ 844,052	\$ 5,393,020	\$0	\$ 3,762,928	\$10,000,000
19	Alleghany County					
20	Schools	\$ 236,419	\$0	\$0	\$ 9,763,581	\$10,000,000
21	Anson County					
22	Schools	\$ 560,349	\$ 4,829,715	\$0	\$ 4,609,936	\$10,000,000
23	Ashe County					
24	Schools	\$ 523,827	\$0	\$0	\$ 9,476,173	\$10,000,000
25	Avery County					
26	Schools	\$ 338,220	\$0	\$0	\$ 9,661,780	\$10,000,000
27	Beaufort County					
28	Schools	\$ 1,134,106	\$ 2,093,891	\$0	\$ 6,772,003	\$10,000,000
29	Bertie County					
30	Schools	\$ 371,213	\$ 3,171,842	\$0	\$ 6,456,945	\$10,000,000
31	Bladen County					
32	Schools	\$ 727,077	\$ 5,497,313	\$0	\$ 3,775,610	\$10,000,000
33	Brunswick County					
34	Schools	\$ 2,200,286	\$0	\$0	\$ 7,799,714	\$10,000,000
35	Buncombe County					
36	Schools	\$ 4,168,034	\$0	\$0	\$ 4,286,925	\$ 8,454,959
37	Asheville City					
38	Schools	\$ 761,658	\$0	\$0	\$ 783,384	\$ 1,545,041
39	Burke County					
40	Schools	\$ 2,093,191	\$12,570,359	\$0	\$0	\$14,663,550
41	Cabarrus County					
42	Schools	\$ 5,823,673	\$0	\$27,614,468	\$0	\$33,438,141
43	Kannapolis City					
44	Schools	\$ 959,438	\$ 846,734	\$ 1,438,635	\$0	\$ 3,244,807
45	Caldwell County					
46	Schools	\$ 2,002,329	\$11,544,037	\$0	\$0	\$13,546,365
47	Camden County					
48	Schools	\$ 327,811	\$ 890,833	\$0	\$ 8,781,356	\$10,000,000
49	Carteret County Public					
50	Schools	\$ 1,429,101	\$0	\$0	\$ 8,570,899	\$10,000,000
51	Caswell County					

1	Schools	\$ 434,200	\$ 3,140,147	\$0	\$ 6,425,653	\$10,000,000
2	Catawba County					
3	Schools	\$ 2,797,332	\$0	\$0	\$ 4,133,815	\$ 6,931,148
4	Hickory City					
5	Schools	\$ 719,314	\$0	\$0	\$ 1,062,981	\$ 1,782,295
6	Newton Conover City					
7	Schools	\$ 519,240	\$0	\$0	\$ 767,317	\$ 1,286,557
8	Chatham County					
9	Schools	\$ 1,558,425	\$0	\$ 6,376,321	\$ 2,065,254	\$10,000,000
10	Cherokee County					
11	Schools	\$ 553,291	\$ 1,413,119	\$0	\$ 8,033,590	\$10,000,000
12	Edenton-Chowan					
13	Schools	\$ 345,278	\$ 1,040,793	\$0	\$ 8,613,930	\$10,000,000
14	Clay County					
15	Schools	\$ 223,892	\$0	\$0	\$ 9,776,108	\$10,000,000
16	Cleveland County					
17	Schools	\$ 2,527,391	\$13,516,386	\$0	\$0	\$16,043,777
18	Columbus County					
19	Schools	\$ 974,611	\$ 9,818,151	\$0	\$0	\$10,792,763
20	Whiteville City					
21	Schools	\$ 392,385	\$ 3,982,294	\$0	\$0	\$ 4,374,679
22	Craven County					
23	Schools	\$ 2,388,186	\$ 3,835,943	\$0	\$ 3,775,871	\$10,000,000
24	Cumberland County					
25	Schools	\$ 8,834,489	\$28,236,792	\$0	\$0	\$37,071,280
26	Currituck County					
27	Schools	\$ 715,256	\$0	\$ 2,584,665	\$ 6,700,079	\$10,000,000
28	Dare County					
29	Schools	\$ 907,038	\$0	\$ 2,548,090	\$ 6,544,872	\$10,000,000
30	Davidson County					
31	Schools	\$ 3,315,161	\$10,754,088	\$0	\$0	\$ 14,069,249
32	Lexington City					
33	Schools	\$ 526,297	\$ 1,724,754	\$0	\$0	\$ 2,251,051
34	Thomasville City					
35	Schools	\$ 401,030	\$ 1,278,236	\$0	\$0	\$ 1,679,266
36	Davie County					
37	Schools	\$ 1,078,001	\$ 126,655	\$0	\$ 8,795,345	\$10,000,000
38	Duplin County					
39	Schools	\$ 1,675,224	\$14,363,983	\$0	\$0	\$16,039,207
40	Durham Public					
41	Schools	\$ 5,708,640	\$0	\$0	\$ 4,291,360	\$10,000,000
42	Edgecombe County Public					
43	Schools	\$ 1,028,070	\$ 9,078,982	\$0	\$0	\$10,107,052
44	Winston-Salem/Forsyth County					
45	Schools	\$ 9,492,934	\$0	\$ 195,069	\$ 311,997	\$10,000,000
46	Franklin County					
47	Schools	\$ 1,432,453	\$ 9,214,386	\$0	\$0	\$10,646,839
48	Gaston County					
49	Schools	\$ 5,478,572	\$10,370,854	\$0	\$0	\$15,849,426
50	Gates County					
51	Schools	\$ 292,348	\$ 2,304,596	\$0	\$ 7,403,056	\$10,000,000

1	Graham County					
2	Schools	\$ 196,545	\$ 181,439	\$0	\$ 9,622,016	\$10,000,000
3	Granville County					
4	Schools	\$ 1,298,717	\$10,527,816	\$0	\$0	\$11,826,533
5	Greene County					
6	Schools	\$ 515,006	\$ 5,786,310	\$0	\$ 3,698,684	\$10,000,000
7	Guilford County					
8	Schools	\$12,599,551	\$0	\$0	\$0	\$12,599,551
9	Halifax County					
10	Schools	\$ 414,086	\$ 2,879,981	\$0	\$ 664,636	\$ 3,958,703
11	Roanoke Rapids City					
12	Schools	\$ 494,716	\$ 3,344,835	\$0	\$ 774,696	\$ 4,614,247
13	Weldon City					
14	Schools	\$ 140,087	\$ 1,047,372	\$0	\$ 239,591	\$ 1,427,049
15	Harnett County					
16	Schools	\$ 3,576,986	\$31,495,234	\$0	\$0	\$35,072,220
17	Haywood County					
18	Schools	\$ 1,255,668	\$0	\$0	\$ 8,744,332	\$10,000,000
19	Henderson County					
20	Schools	\$ 2,349,018	\$0	\$0	\$ 7,650,982	\$10,000,000
21	Hertford County					
22	Schools	\$ 480,778	\$ 3,813,581	\$0	\$ 5,705,641	\$10,000,000
23	Hoke County					
24	Schools	\$ 1,545,193	\$16,729,054	\$ 6,230,019	\$0	\$24,504,266
25	Hyde County					
26	Schools	\$ 102,331	\$0	\$ 170,685	\$ 9,726,984	\$10,000,000
27	Iredell-Statesville					
28	Schools	\$ 3,570,282	\$0	\$0	\$ 4,148,669	\$7,718,950
29	Mooresville Graded School					
30	District	\$ 1,055,064	\$0	\$0	\$ 1,225,985	\$2,281,050
31	Jackson County					
32	Schools	\$ 635,862	\$0	\$0	\$ 9,364,138	\$10,000,000
33	Johnston County					
34	Schools	\$ 6,415,074	\$39,223,050	\$31,381,739	\$0	\$77,019,864
35	Jones County					
36	Schools	\$ 180,843	\$ 564,377	\$0	\$ 9,254,780	\$10,000,000
37	Lee County					
38	Schools	\$ 1,738,739	\$ 6,962,542	\$0	\$ 1,298,719	\$10,000,000
39	Lenoir County Public					
40	Schools	\$ 1,496,321	\$ 8,803,599	\$0	\$0	\$10,299,921
41	Lincoln County					
42	Schools	\$ 2,012,385	\$ 484,727	\$0	\$7,502,888	\$10,000,000
43	Macon County					
44	Schools	\$ 778,948	\$0	\$ 158,494	\$9,062,558	\$10,000,000
45	Madison County					
46	Schools	\$ 400,325	\$ 344,508	\$0	\$ 9,255,167	\$10,000,000
47	Martin County					
48	Schools	\$ 513,771	\$ 3,603,154	\$0	\$ 5,883,076	\$10,000,000
49	McDowell County					
50	Schools	\$ 1,043,596	\$ 5,917,374	\$0	\$ 3,039,030	\$10,000,000
51	Charlotte-Mecklenburg					

1	Schools	\$26,007,162	\$0	\$35,795,177	\$0	\$61,802,340
2	Mitchell County					
3	Schools	\$ 322,518	\$ 303,978	\$0	\$ 9,373,504	\$10,000,000
4	Montgomery County					
5	Schools	\$ 672,030	\$ 2,190,091	\$0	\$ 7,137,879	\$10,000,000
6	Moore County					
7	Schools	\$ 2,251,098	\$0	\$0	\$ 7,748,902	\$10,000,000
8	Nash-Rocky Mount					
9	Schools	\$ 2,611,373	\$14,555,363	\$0	\$0	\$17,166,736
10	New Hanover County					
11	Schools	\$ 4,537,659	\$0	\$0	\$ 5,462,341	\$10,000,000
12	Northampton County					
13	Schools	\$ 267,824	\$ 2,099,454	\$0	\$ 7,632,722	\$10,000,000
14	Onslow County					
15	Schools	\$ 4,699,977	\$ 6,089,634	\$14,764,292	\$0	\$25,553,902
16	Orange County					
17	Schools	\$ 1,287,955	\$0	\$0	\$ 1,867,955	\$ 3,155,910
18	Chapel Hill-Carrboro City					
19	Schools	\$ 2,171,351	\$0	\$ 621,783	\$ 4,050,956	\$ 6,844,090
20	Pamlico County					
21	Schools	\$ 232,008	\$0	\$ 402,330	\$ 9,365,662	\$10,000,000
22	Elizabeth City-Pasquotank Public					
23	Schools	\$ 952,381	\$ 4,850,575	\$0	\$ 4,197,044	\$10,000,000
24	Pender County					
25	Schools	\$ 1,615,060	\$ 6,949,447	\$ 5,644,812	\$0	\$14,209,319
26	Perquimans County					
27	Schools	\$ 285,468	\$ 250,868	\$0	\$ 9,463,664	\$10,000,000
28	Person County					
29	Schools	\$ 768,186	\$ 1,435,534	\$0	\$ 7,796,280	\$10,000,000
30	Pitt County					
31	Schools	\$ 4,121,103	\$17,668,069	\$0	\$0	\$21,789,172
32	Polk County					
33	Schools	\$ 372,625	\$0	\$0	\$ 9,627,375	\$10,000,000
34	Randolph County					
35	Schools	\$ 2,806,507	\$17,202,566	\$0	\$0	\$20,009,073
36	Asheboro City					
37	Schools	\$ 790,240	\$ 4,804,089	\$0	\$0	\$ 5,594,329
38	Richmond County					
39	Schools	\$ 1,248,963	\$11,174,939	\$0	\$0	\$12,423,902
40	Public Schools of Robeson					
41	County	\$ 3,823,815	\$47,851,010	\$0	\$0	\$51,674,825
42	Rockingham County					
43	Schools	\$ 2,042,732	\$12,301,109	\$0	\$0	\$14,343,841
44	Rowan-Salisbury					
45	Schools	\$ 3,302,634	\$12,658,049	\$0	\$0	\$15,960,683
46	Rutherford County					
47	Schools	\$ 1,380,758	\$ 9,196,221	\$0	\$0	\$10,576,979
48	Sampson County					
49	Schools	\$ 1,413,045	\$11,872,434	\$0	\$0	\$13,285,480
50	Clinton City					
51	Schools	\$ 520,828	\$ 4,329,120	\$0	\$0	\$ 4,849,948

1	Scotland County					
2	Schools	\$ 981,316	\$ 9,986,327	\$0	\$0	\$10,967,643
3	Stanly County					
4	Schools	\$ 1,479,913	\$ 7,377,809	\$0	\$ 1,142,278	\$10,000,000
5	Stokes County					
6	Schools	\$ 1,023,483	\$ 5,673,717	\$0	\$ 3,302,800	\$10,000,000
7	Surry County					
8	Schools	\$ 1,345,119	\$ 6,700,636	\$0	\$0	\$ 8,045,755
9	Elkin City					
10	Schools	\$ 207,308	\$ 1,003,140	\$0	\$0	\$ 1,210,447
11	Mount Airy City					
12	Schools	\$ 288,290	\$ 1,401,846	\$0	\$0	\$ 1,690,136
13	Swain County					
14	Schools	\$ 341,573	\$ 435,076	\$0	\$ 9,223,351	\$10,000,000
15	Transylvania County					
16	Schools	\$ 587,519	\$0	\$0	\$ 9,412,481	\$10,000,000
17	Tyrrell County					
18	Schools	\$ 111,682	\$ 747,828	\$ 658,358	\$ 8,482,132	\$10,000,000
19	Union County Public					
20	Schools	\$ 7,269,182	\$0	\$4,925,494	\$0	\$12,194,677
21	Vance County					
22	Schools	\$ 973,023	\$ 9,963,922	\$0	\$0	\$10,936,946
23	Wake County					
24	Schools	\$28,312,249	\$0	\$81,295,042	\$0	\$109,607,291
25	Warren County					
26	Schools	\$ 333,457	\$ 665,924	\$0	\$ 9,000,619	\$10,000,000
27	Washington County					
28	Schools	\$ 227,068	\$ 1,526,792	\$0	\$ 8,246,140	\$10,000,000
29	Watauga County					
30	Schools	\$ 811,765	\$0	\$ 1,658,087	\$ 7,530,148	\$10,000,000
31	Wayne County Public					
32	Schools	\$ 3,215,124	\$20,431,119	\$0	\$0	\$23,646,243
33	Wilkes County					
34	Schools	\$ 1,595,123	\$ 7,544,916	\$0	\$ 859,961	\$10,000,000
35	Wilson County					
36	Schools	\$ 1,965,807	\$ 9,032,301	\$0	\$0	\$10,998,108
37	Yadkin County					
38	Schools	\$ 911,449	\$ 5,605,490	\$0	\$3,483,061	\$10,000,000
39	Yancey County					
40	Schools	\$ 373,507	\$ 1,676	\$0	\$9,624,817	\$10,000,000
41	Total	\$250,500,000	\$600,402,894	\$225,000,000	\$424,097,106	
42						\$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

1 Various Statewide New Construction, Repairs, Renovations \$200,000,000

2
3 **Total for The University of North Carolina \$200,000,000**

4
5 (1b) Subject to the provisions of subdivision (2) of this subsection, two hundred
6 million dollars (\$200,000,000) of the proceeds of education bonds and notes,
7 including premium thereon, if any, shall be used for paying the costs of
8 community college capital outlay projects and repairs and renovations in the
9 following general amounts set forth below:

10
11 **NC Community Colleges**

12
13 Various Statewide Technology Upgrades, New Construction, \$200,000,000
14 Repairs, Renovations

15
16 **Total for NC Community Colleges \$200,000,000**

17
18 (2) Special allocation provisions. – In determining the use of the proceeds of
19 education bonds and notes, including premium thereon, if any, set forth in this
20 act, the following special allocation provisions apply:

21 a. With respect to proceeds allocated in subdivision (1) of this
22 subsection:

23 1. The proceeds shall be used for new construction or
24 rehabilitation of existing facilities and repairs and renovations.
25 Any items purchased with such proceeds and installed or
26 replaced as part of a renovation or rehabilitation must have a
27 useful life of at least 10 years or must extend the life of the
28 facility by at least 10 years once renovated or rehabilitated.

29 2. In the case of a local school administrative unit located entirely
30 in one county, the unit's total distribution amount shall be
31 allocated to that county. In the case of a local school
32 administrative unit located in more than one county, the unit's
33 distribution amount shall be allocated among the counties in
34 which the unit is located in proportion to average daily
35 membership of the unit in each county. A unit's distribution
36 amount allocated to a county may be used only with respect to
37 public school facilities of that unit. If two or more local school
38 administrative units are consolidated into one unit, the
39 distribution amounts provided in subdivision (1) of this
40 subsection for the units shall be considered the distribution
41 amount for the merged unit.

42 3. Bond proceeds for a county for any designation require no
43 local match if any portion of the proceeds results from
44 low-wealth county or adjustment factor designation
45 allocations. Any other county receiving bond proceeds
46 allocated shall provide local matching funds from county
47 funds, other non-State funds, or a combination of these sources
48 for such proceeds. The amount of matching funds shall be (i)
49 one dollar (\$1.00) of local matching funds for every three
50 dollars (\$3.00) of such proceeds for a local school
51 administrative unit located in a county that is a development

1 tier one area, as defined in G.S. 143B-437.08, (ii) one dollar
2 (\$1.00) of local matching funds for every two dollars (\$2.00)
3 of such proceeds for a local school administrative unit located
4 in a county that is a development tier two area, as defined in
5 G.S. 143B-437.08, and (iii) one dollar (\$1.00) of local
6 matching funds for every one dollar (\$1.00) of such proceeds
7 for a local school administrative unit located in a county that is
8 a development tier three area, as defined in G.S. 143B-437.08.
9 The match requirement may be satisfied by non-State
10 expenditures for public school facilities made on or after
11 January 1, 2015. If a debt has been incurred since January 1,
12 2015, for the general purpose of public school facilities, then
13 the face amount of the debt shall be considered as a non-State
14 expenditure for public school facilities for the purpose of the
15 match. No other expenditures made or debts incurred before
16 January 1, 2015, may be used to satisfy the match requirement.
17 As counties satisfy the match requirements of this subsection,
18 they shall document the extent to which they have done so in
19 periodic reports to the State Board of Education. These reports
20 shall include any information and documentation required by
21 the State Board of Education. The State Board of Education
22 shall certify to the State Treasurer from time to time the extent
23 to which the match requirements of this subsection have been
24 met with respect to each county. Bond proceeds shall be
25 distributed for expenditure only as, and to the extent, the
26 matching requirement of this section are satisfied, as certified
27 by the State Board of Education. The State Board of Education
28 shall also require counties to report annually on the impact of
29 funds provided under this act on the property tax rate for that
30 year. These reports shall be public documents and shall be
31 furnished to any citizen upon request. If the State Board of
32 Education determines that a county has not met the matching
33 requirement set forth in this sub-subdivision by January 1,
34 2026, the State Board of Education shall certify that fact to the
35 State Treasurer by March 1, 2026. Amounts that are allocated
36 in the ADM Growth Allocation of bond proceeds under
37 subdivision (1) of this subsection and that have not been
38 certified as matched by the State Board of Education by
39 January 1, 2026, shall be reallocated among the counties that
40 have been certified as having met the matching requirement for
41 that allocation. The reallocation shall be made among the
42 eligible counties in proportion to the amount of ADM Growth
43 Allocations for those counties under subdivision (1) of this
44 subsection. Amounts that are allocated in the ADM Allocation
45 of bond proceeds under subdivision (1) of this subdivision and
46 that have not been certified as matched by the State Board of
47 Education by January 1, 2026, shall be reallocated among the
48 counties that have been certified as having met the matching
49 requirement for that allocation. The reallocation shall be made
50 on the basis of average daily membership of the local school
51 administrative units within the remaining counties. Bond

- 1 proceeds reallocated to a county because of a local school
2 administrative unit's average daily membership within the
3 county may be used only with respect to public school capital
4 outlay projects of that unit. Bond proceeds reallocated to a
5 county under this sub-subdivision must be matched at the same
6 rate as bond proceeds allocated to the county under
7 sub-subdivision b. of this subdivision.
- 8 4. In determining between projects for which bond proceeds are
9 allocated, the State Board of Education shall give
10 consideration to those projects that primarily involve
11 materially improving the energy efficiency of the school
12 facility.
- 13 b. With respect to proceeds allocated in subdivision (1a) of this
14 subsection:
- 15 1. The proceeds shall be used for new construction or
16 rehabilitation of existing facilities and repairs and renovations.
17 Any items purchased with such proceeds and installed or
18 replaced as part of a renovation or rehabilitation must have a
19 useful life of at least 10 years or must extend the life of the
20 facility by at least 10 years once renovated or rehabilitated. In
21 order to receive the proceeds under this sub-subdivision for
22 projects for new construction, the constituent institution
23 receiving the proceeds shall provide matching funds from other
24 non-State funds. Constituent institutions are not required to
25 match bond proceeds allocated in this section for rehabilitation
26 of existing facilities and repairs and renovations.
- 27 2. In determining the allocation of proceeds, the Board of
28 Governors shall consider the following factors: (i) size of the
29 entity, with a focus on smaller campuses; (ii) population
30 historically served, with a focus on historically
31 minority-serving institutions; (iii) development tier area
32 designations, with a focus on lower development tier areas; (iv)
33 constituent institutions operating a school serving any grade,
34 kindergarten through 12, with a focus on such institutions; and
35 (v) length of outstanding repairs and renovations requests, with
36 a focus on longer outstanding requests.
- 37 c. With respect to proceeds allocated in subdivision (1b) of this
38 subsection:
- 39 1. The proceeds shall be used for upgrades to the enterprise
40 resource planning information technology ("the ERP system"),
41 new construction or rehabilitation of existing facilities, and
42 repairs and renovations.
- 43 2. Any items purchased with such proceeds for new construction
44 or rehabilitation of existing facilities and repairs and
45 renovations and installed or replaced as part of a renovation or
46 rehabilitation must have a useful life of at least 10 years or
47 must extend the life of the facility by at least 10 years once
48 renovated or rehabilitated. In order to receive the proceeds
49 under this sub-subdivision for projects for new construction,
50 the community college receiving the proceeds shall provide
51 local matching funds from county funds, other non-State funds,

1 or a combination of these sources for such proceeds. The
2 amount of matching funds shall be (i) one dollar (\$1.00) of
3 local matching funds for every three dollars (\$3.00) of such
4 proceeds for a community college with a main campus located
5 in a development tier one area, as defined in
6 G.S. 143B-437.08, (ii) one dollar (\$1.00) of local matching
7 funds for every two dollars (\$2.00) of such proceeds for a
8 community college with a main campus located in a
9 development tier two area, as defined in G.S. 143B-437.08,
10 and (iii) one dollar (\$1.00) of local matching funds for every
11 one dollar (\$1.00) of such proceeds for a community college
12 with a main campus located in a development tier three area,
13 as defined in G.S. 143B-437.08. Community colleges are not
14 required to match bond proceeds allocated in this section for
15 rehabilitation of existing facilities and repairs and renovations.
16 The provisions of G.S. 115D-31, or any other provision of law
17 permitting prior expenditures to be used for match purposes,
18 do not apply for purposes of meeting the matching funds
19 requirements of this act.

- 20 3. In determining between projects for which bond proceeds are
21 allocated, the Community Colleges System Office shall give
22 first priority to the ERP system project and shall prioritize
23 allocation of the remainder of funds among projects for new
24 construction and repairs and renovations by ranking the
25 projects for the various community colleges according to three
26 components, as follows: (i) the county wealth rank of the
27 county in which the main campus is located, which shall be
28 single weighted, (ii) the community college's repairs and
29 renovations needs, which shall be double weighted, and (iii)
30 the community college's additional square footage needs,
31 which shall be single weighted.

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

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

41 Any additional monies that may be received by means of a grant or grants
42 from the United States of America or any agency or department thereof or
43 from any other source for deposit to the Education Bonds Fund may be placed
44 in the Education Bonds Fund or in a separate account or fund and shall be
45 disbursed, to the extent permitted by the terms of the grant or grants, without
46 regard to any limitations imposed by this section.

47 Monies in the Education Bonds Fund or any separate account established
48 under this section may be invested from time to time by the State Treasurer in
49 the same manner permitted for investment of monies belonging to the State or
50 held in the State treasury, except with respect to grant money to the extent
51 otherwise directed by the terms of the grant. Investment earnings, except

1 investment earnings with respect to grant monies to the extent otherwise
 2 directed or restricted by the terms of the grant, may be (i) credited to the
 3 Education Bonds Fund or (ii) used to satisfy compliance with applicable
 4 requirements of the federal tax law.

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

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

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

33 **SECTION 1.(g) Election.** – The question of the issuance of the bonds authorized by
 34 this section shall be submitted to the qualified voters of the State at an election to be held in
 35 November of 2020. Any other primary, election, or referendum, validly called or scheduled by
 36 law at the time the election on the bond question provided for in this subsection is held, may be
 37 held as called or scheduled. Notice of the election shall be given in the manner and at the times
 38 required by G.S. 163A-769(8). The election and the registration of voters therefor shall be held
 39 under and in accordance with the general laws of the State. Absentee ballots shall be authorized
 40 in the election.

41 The Bipartisan State Board of Elections and Ethics Enforcement (State Board) shall
 42 reimburse the counties of the State for all necessary expenses incurred in holding the election
 43 that are in addition to those that would have otherwise been incurred, the same to be paid out of
 44 the Contingency and Emergency Fund or other funds available to the State Board.

45 Ballots, voting systems authorized by Subpart 2 of Part 3 of Article 20 of Chapter
 46 163A of the General Statutes, or both may be used in accordance with rules prescribed by the
 47 State Board. The bond question to be used in the ballots or voting systems shall be in substantially
 48 the following form:

49 " [] FOR [] AGAINST

50 The issuance of one billion nine hundred million dollars (\$1,900,000,000) State of
 51 North Carolina Education Bonds constituting general obligation bonds of the State secured by a

1 pledge of the faith and credit and taxing power of the State for the purpose of providing funds,
2 with any other available funds, (i) for public school facilities through grants to counties for public
3 school capital outlay projects, in the amount of one billion five hundred million dollars
4 (\$1,500,000,000), (ii) for community college facilities for community college capital outlay
5 projects, repairs and renovations, in the amount of two hundred million dollars (\$200,000,000),
6 and (iii) for The University of North Carolina facilities for capital outlay projects for constituent
7 institutions, and repairs and renovations at such institutions, in the amount of two hundred million
8 dollars (\$200,000,000)."

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 section. If a majority of those voting on a bond question in the election do not vote in favor of
12 the 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 by law for
14 elections for State officers; the results of the election shall be certified by the State Board to the
15 Secretary of State in the manner and at the time provided by the general election laws of the
16 State.

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

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

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

- 1 and form of the bonds or notes, under the provisions of Chapter 159E of the
2 General Statutes, the Registered Public Obligations Act, as well as under this
3 section.
- 4 (3) Manner of sale; expenses. – Subject to the consent of the Council of State, the
5 State Treasurer shall determine the manner in which bonds or notes shall be
6 offered for sale, whether at public or private sale, whether within or without
7 the United States of America, and whether by publishing notices in certain
8 newspapers and financial journals, mailing notices, inviting bids by
9 correspondence, negotiating contracts of purchase, or otherwise, and the State
10 Treasurer is authorized to sell bonds or notes at one time or from time to time
11 at such rate or rates of interest, which may vary from time to time, and at such
12 price or prices, including a price less than the face amount of the bonds or the
13 notes, as the State Treasurer may determine. All expenses incurred in
14 preparation, sale, and issuance of bonds or notes shall be paid by the State
15 Treasurer from the proceeds of bonds or notes or other available monies.
- 16 (4) Notes; repayment. –
- 17 a. Subject to the consent of the Council of State, the State Treasurer is
18 hereby authorized to borrow money and to execute and issue notes of
19 the State for the same, but only in the following circumstances and
20 under the following conditions:
- 21 1. For anticipating the sale of bonds to the issuance of which the
22 Council of State shall have given consent, if the State Treasurer
23 shall deem it advisable to postpone the issuance of the bonds.
- 24 2. For the payment of interest on or any installment of principal
25 of any bonds then outstanding, if there shall not be sufficient
26 funds in the State treasury with which to pay the interest or
27 installment of principal as they respectively become due.
- 28 3. For the renewal of any loan evidenced by notes herein
29 authorized.
- 30 4. For the purposes authorized in this section.
- 31 5. For refunding bonds or notes as herein authorized.
- 32 b. Funds derived from the sale of bonds or notes may be used in the
33 payment of any bond anticipation notes issued under this section.
34 Funds provided by the General Assembly for the payment of interest
35 on or principal of bonds shall be used in paying the interest on or
36 principal of any notes and any renewals thereof, the proceeds of which
37 shall have been used in paying interest on or principal of the bonds.
- 38 (5) Refunding bonds and notes. – By and with the consent of the Council of State,
39 the State Treasurer is authorized to issue and sell refunding bonds and notes
40 pursuant to the provisions of the State Refunding Bond Act for the purpose of
41 refunding bonds or notes issued pursuant to this section. The refunding bonds
42 and notes may be combined with any other issues of State bonds and notes
43 similarly secured.
- 44 (6) Tax exemption. – Bonds and notes shall be exempt from all State, county, and
45 municipal taxation or assessment, direct or indirect, general or special,
46 whether imposed for the purpose of general revenue or otherwise, excluding
47 inheritance and gift taxes, income taxes on the gain from the transfer of bonds
48 and notes, and franchise taxes. The interest on bonds and notes shall not be
49 subject to taxation as to income.
- 50 (7) Investment eligibility. – Bonds and notes are hereby made securities in which
51 all public officers, agencies, and public bodies of the State and its political

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

- 11 (8) Faith and credit. – The faith and credit and taxing power of the State are hereby
12 pledged for the payment of the principal of and the interest on bonds and notes.
13 In addition to the State's right to amend any provision of this section to the
14 extent it does not impair any contractual right of a bond owner, the State
15 expressly reserves the right to amend any provision of this section with respect
16 to the making and repayment of loans, the disposition of any repayments of
17 loans, and any intercept provisions relating to the failure of a local government
18 unit to repay a loan, the bonds not being secured in any respect by loans, any
19 repayments thereof, or any intercept provisions with respect thereto.

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

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

39 If the aggregate principal amount repayable by the State under a credit facility
40 agreement is in excess of the aggregate principal amount of bonds or notes secured by the credit
41 facility agreement, whether as a result of the inclusion in the credit facility agreement of a
42 provision for the payment of interest for a limited period of time or the payment of a redemption
43 premium or for any other reason, then the amount of authorized but unissued bonds or notes
44 during the term of such credit facility agreement shall not be less than the amount of such excess,
45 unless the payment of such excess is otherwise provided for by agreement of the State executed
46 by the State Treasurer.

47 **SECTION 1.(j)** Interpretation of Section. –

- 48 (1) Additional method. – The foregoing subsections of this section shall be
49 deemed to provide an additional and alternative method for the doing of the
50 things authorized thereby and shall be regarded as supplemental and

1 additional to powers conferred by other laws and shall not be regarded as in
2 derogation of any powers now existing.

3 (2) Statutory references. – References in this section to specific sections or
4 Chapters of the General Statutes or to specific acts are intended to be
5 references to these sections, Chapters, or acts as they may be amended from
6 time to time by the General Assembly.

7 (3) Broad construction. – The General Assembly specifically has chosen to
8 combine what otherwise might be considered differing projects to be financed
9 into one bond bill and bond question because the General Assembly finds that
10 such differing projects, when taken together, constitute an interrelated, united,
11 and single plan for the State's infrastructure as stated aforesaid. Accordingly,
12 this section, being necessary for the health, welfare, and advancement of the
13 people of the State, shall be broadly construed to affect the purposes thereof.

14 (4) Inconsistent provisions. – Insofar as the provisions of this section are
15 inconsistent with the provisions of any general laws, or parts thereof, the
16 provisions of this section shall be controlling.

17 (5) Severability. – If any provision of this section or the application thereof to any
18 person or circumstance is held invalid, such invalidity shall not affect other
19 provisions or applications of the section that can be given effect without the
20 invalid provision or application, and to this end, the provisions of this section
21 are declared to be severable.

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

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

45 Each constituent institution of The University of North Carolina receiving the
46 proceeds of education bonds and notes, including premium thereon, if any, issued pursuant to
47 subdivision (1a) of Section 1(e) of this act shall report by January 1, 2022, and quarterly
48 thereafter, to the Joint Legislative Oversight Committee on Capital Improvements, the House of
49 Representatives Appropriations Committee, and the Senate Committee on Appropriations/Base
50 Budget on the projects funded from education general obligation bonds authorized by Section 1
51 of this act. Community colleges receiving the proceeds of education bonds and notes, including

1 premium thereon, if any, issued pursuant to subdivision (1b) of Section 1(e) of this act shall
2 report by January 1, 2022, and quarterly thereafter, to the North Carolina Community Colleges
3 System Office on the projects funded from education general obligation bonds authorized by
4 Section 1 of this act, and the System Office shall combine the reports and submit them to the
5 Joint Legislative Oversight Committee on Capital Improvements, the House of Representatives
6 Appropriations Committee, and the Senate Committee on Appropriations/Base Budget. Each
7 report shall include the total project costs, the amount to be funded from the bonds, the
8 expenditures to date from the bonds and other sources, and the percentage of each project
9 completed.

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

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

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

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

21 **SECTION 4.** Notwithstanding the period of time provided in G.S. 163A-1045(a) for
22 which transfers are effective, transfers of voters from a given precinct, for the purpose of voting,
23 to an adjacent precinct for the election held in November of 2020 shall be for that election only
24 and shall not apply to any subsequent election.

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

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