

1 Association of Colleges and Schools, the State Auditor's Office, or the State Board of
2 Community Colleges. The State Board may release the funds at such time as the
3 investigations are complete and the issues are resolved.

4 (i) Permissible Uses of Funds. – Funds retained by colleges or distributed to
5 colleges pursuant to this section shall be used for the purchase of equipment, initial
6 program start-up costs including faculty salaries for the first year of a program, and
7 one-time faculty and staff bonuses. These funds shall not be used for continuing salary
8 increases or for other obligations beyond the fiscal year into which they were carried
9 forward. These funds shall be encumbered within 12 months of the fiscal year into
10 which they were carried forward.

11 (j) Use of funds in low-wealth counties. – Funds retained by colleges or
12 distributed to colleges pursuant to this section may be used to supplement local funding
13 for maintenance of plant if the college does not receive maintenance of plant funds
14 pursuant to G.S. 115D-31.2, and if the county in which the main campus of the
15 community college is located:

16 (1) Is designated as a Tier 1 or Tier 2 county in accordance with
17 G.S. 105-129.3;

18 (2) Had an unemployment rate of at least two percent (2%) above the
19 State average or greater than seven percent (7%), whichever is higher,
20 in the prior calendar year; and

21 (3) Is a county whose wealth, as calculated under the formula for
22 distributing supplemental funding for schools in low-wealth counties,
23 is eighty percent (80%) or less of the State average.

24 Funds may be used for this purpose only after all local funds appropriated for
25 maintenance of plant have been expended."

26 **SECTION 2.** This act is effective when it becomes law.