

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019**

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**HOUSE BILL 1225
Committee Substitute Favorable 6/17/20**

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 eight hundred million dollars (\$800,000,000), (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), (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 five hundred million dollars (\$1,500,000,000).

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.
- e. Purchase of land necessary for construction to commence within 24 months of one or more buildings at a constituent institution of The University of North Carolina.



1 f. Other related capital outlay projects to provide facilities for individual
2 constituent institutions of The University of North Carolina that are
3 used for instructional or related purposes.

4 The term does not include projects for trailers, relocatable classrooms, mobile
5 classrooms, or for facilities for centralized administration, other than
6 administration of the project funded.

7 (1b) Community college capital outlay project. – A project for any of the
8 following:

9 a. Construction of one or more new community college buildings located
10 on a community college campus.

11 b. Renovation of one or more existing community college buildings.

12 c. Construction, acquisition, and installation of the enterprise resource
13 planning information technology in support of the North Carolina
14 Community College System and its community colleges.

15 d. Construction, acquisition, and installation of technology infrastructure
16 at or in support of a community college.

17 e. Acquisition and installation of equipment for a community college
18 building that will be used for an instructional or related purpose.

19 f. Purchase of land necessary for construction to commence within 24
20 months of one or more community college buildings.

21 g. Other related capital outlay projects to provide facilities for individual
22 community college campuses that are used for instructional or related
23 purposes.

24 The term does not include projects for trailers, relocatable classrooms, mobile
25 classrooms, or for facilities for centralized administration, other than
26 administration of the project funded.

27 (2) Cost. – Without intending thereby to limit or restrict any proper definition of
28 this term in financing the cost of any capital outlay projects as authorized by
29 this act, any of the following:

30 a. The cost of constructing, reconstructing, enlarging, acquiring, and
31 improving projects and acquiring equipment and land therefor.

32 b. The cost of engineering, architectural, and other consulting services as
33 may be required.

34 c. Administrative expenses and charges, including expenses related to
35 determining compliance with applicable requirements of federal law
36 and expenses relating to issuance. Nothing in this section shall permit
37 use of bond funds to pay salaries or fees for bond administration; such
38 salaries and fees shall come from funds appropriated by the General
39 Assembly.

40 d. Finance charges and interest prior to and during construction and, if
41 deemed advisable by the State Treasurer, for a period not exceeding
42 three years after the estimated date of completion of construction.

43 e. The cost of bond insurance, investment contracts, credit enhancement
44 and liquidity facilities; interest rate swap agreements or other
45 derivative products; financial and legal consultants; and related costs
46 of bond and note issuance; and costs incurred by the State in
47 administering the bond issues, including costs of trustees, escrow
48 agents, arbitrage rebate liability consultants, securities disclosure
49 counsel or similar securities disclosure consultants, tax consultants
50 and financial advisors, to the extent and as determined by the State
51 Treasurer.

- 1 f. The cost of reimbursing the State for any payments made for any cost
2 described in this subdivision.
- 3 g. Any other costs and expenses necessary or incidental to the purposes
4 of this act.
- 5 Allocations in this section of proceeds of bonds to the costs of a project or
6 undertaking in each case may include allocations to pay the costs set forth in
7 sub-subdivisions c. through g. of this subdivision in connection with the
8 issuance of bonds for the project or undertaking.
- 9 (3) Credit facility agreement. – An agreement entered into by the State Treasurer
10 on behalf of the State with a bank, savings and loan association, or other
11 banking institution; an insurance company, reinsurance company, surety
12 company, or other insurance institution; a corporation, investment banking
13 firm, or other investment institution; or any financial institution or other
14 similar provider of a credit facility agreement, which provider may be located
15 within or without the United States of America, such agreement providing for
16 prompt payment of all or any part of the principal or purchase price (whether
17 at maturity, presentment or tender for purchase, redemption, or acceleration),
18 redemption premium, if any, and interest on any bonds or notes payable on
19 demand or tender by the owner, in consideration of the State agreeing to repay
20 the provider of the credit facility agreement in accordance with the terms and
21 provisions of such agreement.
- 22 (4) Notes. – Notes issued under this act.
- 23 (5) Par formula. – Any provision or formula adopted by the State to provide for
24 the adjustment, from time to time, of the interest rate or rates borne by any
25 bonds or notes, including the following:
- 26 a. A provision providing for such adjustment so that the purchase price
27 of such bonds or notes in the open market would be as close to par as
28 possible;
- 29 b. A provision providing for such adjustment based upon a percentage or
30 percentages of a LIBOR rate, a prime rate, or base rate, which
31 percentage or percentages may vary or be applied for different periods
32 of time; or
- 33 c. Such other provision as the State Treasurer may determine to be
34 consistent with this act and will not materially and adversely affect the
35 financial position of the State and the marketing of bonds or notes at a
36 reasonable interest cost to the State.
- 37 (6) Public school capital outlay project. – A project for any of the following:
- 38 a. Construction of one or more new public school buildings.
- 39 b. Renovation of one or more existing public school buildings.
- 40 c. Construction, acquisition, and installation of technology infrastructure
41 for a public school building.
- 42 d. Acquisition and installation of equipment or fixtures to ensure
43 building security for a public school building.
- 44 e. Acquisition and installation of equipment for a public school building
45 that will be used for an instructional or related purpose.
- 46 f. Purchase of land necessary for construction to commence within 24
47 months of one or more public school buildings.
- 48 g. Other related capital outlay projects to provide facilities for individual
49 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, eight hundred million dollars (\$800,000,000) 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	\$ 3,622,772	\$ 1,395,764	\$ 5,000,000	\$ 10,018,536
Alexander County Schools	\$ 747,788	\$ 586,841	\$ 5,000,000	\$ 6,334,629
Alleghany County Schools	\$ 221,648	\$ 0	\$ 5,000,000	\$ 5,221,648
Anson County Schools	\$ 494,700	\$ 513,291	\$ 5,000,000	\$ 6,007,991
Ashe County				

1	Schools	\$ 461,532	\$ 0	\$ 5,000,000	\$ 5,461,532
2	Avery County				
3	Schools	\$ 298,361	\$ 0	\$ 5,000,000	\$ 5,298,361
4	Beaufort County				
5	Schools	\$ 998,361	\$ 316,504	\$ 5,000,000	\$ 6,314,865
6	Bertie County				
7	Schools	\$ 312,351	\$ 315,389	\$ 5,000,000	\$ 5,627,740
8	Bladen County				
9	Schools	\$ 643,566	\$ 669,175	\$ 5,000,000	\$ 6,312,741
10	Brunswick County				
11	Schools	\$ 2,020,144	\$ 0	\$ 5,000,000	\$ 7,020,144
12	Buncombe County				
13	Schools	\$ 3,728,409	\$ 0	\$ 4,227,958	\$ 7,956,367
14	Asheville City				
15	Schools	\$ 680,822	\$ 0	\$ 772,042	\$ 1,452,864
16	Burke County				
17	Schools	\$ 1,871,907	\$ 1,793,520	\$ 5,000,000	\$ 8,665,427
18	Cabarrus County				
19	Schools	\$ 5,416,709	\$ 0	\$ 4,320,644	\$ 9,737,353
20	Kannapolis City				
21	Schools	\$ 851,696	\$ 108,475	\$ 679,356	\$ 1,639,527
22	Caldwell County				
23	Schools	\$ 1,765,484	\$ 1,317,662	\$ 5,000,000	\$ 8,083,146
24	Camden County				
25	Schools	\$ 296,789	\$ 181,349	\$ 5,000,000	\$ 5,478,138
26	Carteret County				
27	Public Schools	\$ 1,271,885	\$ 0	\$ 5,000,000	\$ 6,271,885
28	Caswell County				
29	Schools	\$ 370,357	\$ 262,738	\$ 5,000,000	\$ 5,633,095
30	Catawba County				
31	Schools	\$ 2,475,388	\$ 0	\$ 3,453,896	\$ 5,929,284
32	Hickory City				
33	Schools	\$ 647,653	\$ 0	\$ 903,667	\$ 1,551,320
34	Newton-Conover City				
35	Schools	\$ 460,431	\$ 0	\$ 642,437	\$ 1,102,868
36	Chatham County				
37	Schools	\$ 1,425,938	\$ 0	\$ 5,000,000	\$ 6,425,938
38	Cherokee County				
39	Schools	\$ 487,626	\$ 96,667	\$ 5,000,000	\$ 5,584,293
40	Edenton-Chowan				
41	Schools	\$ 295,531	\$ 120,352	\$ 5,000,000	\$ 5,415,883
42	Clay County				
43	Schools	\$ 202,313	\$ 0	\$ 5,000,000	\$ 5,202,313
44	Cleveland County				
45	Schools	\$ 2,221,829	\$ 1,546,503	\$ 5,000,000	\$ 8,768,332
46	Columbus County				
47	Schools	\$ 848,080	\$ 1,140,313	\$ 3,555,423	\$ 5,543,816
48	Whiteville City				
49	Schools	\$ 344,577	\$ 463,311	\$ 1,444,577	\$ 2,252,465
50	Craven County				
51	Schools	\$ 2,089,940	\$ 601,492	\$ 5,000,000	\$ 7,691,432

1	Cumberland County				
2	Schools	\$ 7,913,476	\$ 5,308,410	\$ 5,000,000	\$ 18,221,886
3	Currituck County				
4	Schools	\$ 680,979	\$ 0	\$ 5,000,000	\$ 5,680,979
5	Dare County				
6	Schools	\$ 832,518	\$ 0	\$ 5,000,000	\$ 5,832,518
7	Davidson County				
8	Schools	\$ 2,924,344	\$ 1,333,577	\$ 3,886,637	\$ 8,144,558
9	Lexington City				
10	Schools	\$ 480,710	\$ 219,216	\$ 638,894	\$ 1,338,820
11	Thomasville City				
12	Schools	\$ 356,995	\$ 162,799	\$ 474,469	\$ 994,263
13	Davie County				
14	Schools	\$ 959,219	\$ 9,976	\$ 5,000,000	\$ 5,969,195
15	Duplin County				
16	Schools	\$ 1,517,899	\$ 1,890,485	\$ 5,000,000	\$ 8,408,384
17	Durham Public				
18	Schools	\$ 5,289,380	\$ 0	\$ 5,000,000	\$ 10,289,380
19	Edgecombe County				
20	Public Schools	\$ 883,607	\$ 1,112,629	\$ 5,000,000	\$ 6,996,236
21	Winston-Salem/Forsyth				
22	County Schools	\$ 8,453,607	\$ 0	\$ 5,000,000	\$ 13,453,607
23	Franklin County				
24	Schools	\$ 1,266,854	\$ 981,492	\$ 5,000,000	\$ 7,248,346
25	Gaston County				
26	Schools	\$ 4,869,191	\$ 1,115,247	\$ 5,000,000	\$10,984,438
27	Gates County				
28	Schools	\$ 250,730	\$ 248,238	\$ 5,000,000	\$ 5,498,968
29	Graham County				
30	Schools	\$ 179,205	\$ 27,805	\$ 5,000,000	\$ 5,207,010
31	Granville County				
32	Schools	\$ 1,136,695	\$ 1,157,036	\$ 5,000,000	\$ 7,293,731
33	Greene County				
34	Schools	\$ 452,886	\$ 633,314	\$ 5,000,000	\$ 6,086,200
35	Guilford County				
36	Schools	\$ 11,213,051	\$ 0	\$ 5,000,000	\$ 16,213,051
37	Halifax County				
38	Schools	\$ 344,891	\$ 337,492	\$ 1,920,181	\$ 2,602,564
39	Roanoke Rapids City				
40	Schools	\$ 434,494	\$ 425,172	\$ 2,419,046	\$ 3,278,712
41	Weldon City				
42	Schools	\$ 118,684	\$ 116,138	\$ 660,773	\$ 895,595
43	Harnett County				
44	Schools	\$ 3,252,101	\$ 3,769,036	\$ 5,000,000	\$ 12,021,137
45	Haywood County				
46	Schools	\$ 1,122,861	\$ 0	\$ 5,000,000	\$ 6,122,861
47	Henderson County				
48	Schools	\$ 2,116,349	\$ 0	\$ 5,000,000	\$ 7,116,349
49	Hertford County				
50	Schools	\$ 415,944	\$ 413,352	\$ 5,000,000	\$ 5,829,296
51	Hoke County				

1	Schools	\$ 1,421,222	\$ 2,113,521	\$ 5,000,000	\$ 8,534,743
2	Hyde County				
3	Schools	\$ 85,044	\$ 0	\$ 5,000,000	\$ 5,085,044
4	Iredell-Statesville				
5	Schools	\$ 3,251,629	\$ 0	\$ 3,862,168	\$ 7,113,797
6	Mooreville Graded				
7	School District	\$ 957,961	\$ 0	\$ 1,137,832	\$ 2,095,793
8	Jackson County				
9	Schools	\$ 567,954	\$ 0	\$ 5,000,000	\$ 5,567,954
10	Johnston County				
11	Schools	\$ 5,947,880	\$ 4,806,835	\$ 5,000,000	\$ 15,754,715
12	Jones County				
13	Schools	\$ 162,071	\$ 50,899	\$ 5,000,000	\$ 5,212,970
14	Lee County				
15	Schools	\$ 1,556,097	\$ 935,237	\$ 5,000,000	\$ 7,491,334
16	Lenoir County Public				
17	Schools	\$ 1,333,977	\$ 1,197,400	\$ 5,000,000	\$ 7,531,377
18	Lincoln County				
19	Schools	\$ 1,792,994	\$ 0	\$ 5,000,000	\$ 6,792,994
20	Macon County				
21	Schools	\$ 705,502	\$ 0	\$ 5,000,000	\$ 5,705,502
22	Madison County				
23	Schools	\$ 354,009	\$ 22,880	\$ 5,000,000	\$ 5,376,889
24	Martin County				
25	Schools	\$ 448,327	\$ 455,188	\$ 5,000,000	\$ 5,903,515
26	McDowell County				
27	Schools	\$ 933,124	\$ 748,283	\$ 5,000,000	\$ 6,681,407
28	Charlotte-Mecklenburg				
29	Schools	\$ 23,333,445	\$ 0	\$ 5,000,000	\$ 28,333,445
30	Mitchell County				
31	Schools	\$ 288,929	\$ 38,950	\$ 5,000,000	\$ 5,327,879
32	Montgomery County				
33	Schools	\$ 580,687	\$ 260,409	\$ 5,000,000	\$ 5,841,096
34	Moore County				
35	Schools	\$ 2,044,038	\$ 0	\$ 5,000,000	\$ 7,044,038
36	Nash-Rocky Mount				
37	Schools	\$ 2,360,320	\$ 1,825,582	\$ 5,000,000	\$ 9,185,902
38	New Hanover County				
39	Schools	\$ 4,087,448	\$ 0	\$ 5,000,000	\$ 9,087,448
40	Northampton County				
41	Schools	\$ 221,177	\$ 205,922	\$ 5,000,000	\$ 5,427,099
42	Onslow County				
43	Schools	\$ 4,339,907	\$ 1,693,271	\$ 5,000,000	\$ 11,033,178
44	Orange County				
45	Schools	\$ 1,160,274	\$ 0	\$ 1,874,016	\$ 3,034,290
46	Chapel Hill-Carrboro				
47	City Schools	\$ 1,935,415	\$ 0	\$ 3,125,984	\$ 5,061,399
48	Pamlico County				
49	Schools	\$ 196,025	\$ 9,389	\$ 5,000,000	\$ 5,205,414
50	Elizabeth City-				
51	Pasquotank Public				

1	Schools	\$ 823,400	\$ 578,327	\$ 5,000,000	\$ 6,401,727
2	Pender County				
3	Schools	\$ 1,567,730	\$ 836,129	\$ 5,000,000	\$ 7,403,859
4	Perquimans County				
5	Schools	\$ 256,861	\$ 30,536	\$ 5,000,000	\$ 5,287,397
6	Person County				
7	Schools	\$ 680,036	\$ 230,478	\$ 5,000,000	\$ 5,910,514
8	Pitt County				
9	Schools	\$ 3,745,386	\$ 2,220,436	\$ 5,000,000	\$ 10,965,822
10	Polk County				
11	Schools	\$ 332,158	\$ 0	\$ 5,000,000	\$ 5,332,158
12	Randolph County				
13	Schools	\$ 2,486,392	\$ 2,046,442	\$ 3,874,627	\$ 8,407,461
14	Asheboro City				
15	Schools	\$ 722,165	\$ 594,383	\$ 1,125,373	\$ 2,441,921
16	Richmond County				
17	Schools	\$ 1,103,212	\$ 1,326,092	\$ 5,000,000	\$ 7,429,304
18	Public Schools of				
19	Robeson County	\$ 3,349,406	\$ 5,554,180	\$ 5,000,000	\$ 13,903,586
20	Rockingham County				
21	Schools	\$ 1,820,504	\$ 1,580,069	\$ 5,000,000	\$ 8,400,573
22	Rowan-Salisbury				
23	Schools	\$ 2,948,395	\$ 1,577,179	\$ 5,000,000	\$ 9,525,574
24	Rutherford County				
25	Schools	\$ 1,197,059	\$ 812,484	\$ 5,000,000	\$ 7,009,543
26	Sampson County				
27	Schools	\$ 1,257,894	\$ 1,473,254	\$ 3,653,215	\$ 6,384,363
28	Clinton City				
29	Schools	\$ 463,732	\$ 543,127	\$ 1,346,785	\$ 2,353,644
30	Scotland County				
31	Schools	\$ 879,834	\$ 1,218,594	\$ 5,000,000	\$ 7,098,428
32	Stanly County				
33	Schools	\$ 1,312,284	\$ 842,575	\$ 5,000,000	\$ 7,154,859
34	Stokes County				
35	Schools	\$ 913,474	\$ 626,323	\$ 5,000,000	\$ 6,539,797
36	Surry County				
37	Schools	\$ 1,168,449	\$ 729,233	\$ 3,626,562	\$ 5,524,244
38	Elkin City				
39	Schools	\$ 189,266	\$ 118,122	\$ 587,432	\$ 894,820
40	Mount Airy City				
41	Schools	\$ 253,245	\$ 158,051	\$ 786,006	\$ 1,197,302
42	Swain County				
43	Schools	\$ 305,906	\$ 40,233	\$ 5,000,000	\$ 5,346,139
44	Transylvania County				
45	Schools	\$ 531,485	\$ 0	\$ 5,000,000	\$ 5,531,485
46	Tyrrell County				
47	Schools	\$ 98,877	\$ 111,732	\$ 5,000,000	\$ 5,210,609
48	Union County Public				
49	Schools	\$ 6,598,205	\$ 0	\$ 5,000,000	\$11,598,205
50	Vance County				
51	Schools	\$ 831,417	\$ 1,067,286	\$ 5,000,000	\$ 6,898,703

1	Wake County				
2	Schools	\$ 25,738,094	\$ 0	\$ 5,000,000	\$ 30,738,094
3	Warren County				
4	Schools	\$ 280,597	\$ 46,144	\$ 5,000,000	\$ 5,326,741
5	Washington County				
6	Schools	\$ 191,152	\$ 111,336	\$ 5,000,000	\$ 5,302,488
7	Watauga County				
8	Schools	\$ 747,002	\$ 0	\$ 5,000,000	\$ 5,747,002
9	Wayne County Public				
10	Schools	\$ 2,834,584	\$ 2,796,925	\$ 5,000,000	\$ 10,631,509
11	Wilkes County				
12	Schools	\$ 1,415,249	\$ 912,276	\$ 5,000,000	\$ 7,327,525
13	Wilson County				
14	Schools	\$ 1,722,884	\$ 1,235,667	\$ 5,000,000	\$ 7,958,551
15	Yadkin County				
16	Schools	\$ 798,249	\$ 527,865	\$ 5,000,000	\$ 6,326,114
17	Yancey County				
18	Schools	\$ 328,700	\$ 0	\$ 5,000,000	\$ 5,328,700
19	Total	\$ 224,999,996	\$ 75,000,004	\$ 500,000,000	

20

21 **Total for Public Education** **\$ 800,000,000**

22

23 (1a) Subject to the provisions of subdivision (2) of this subsection, six hundred

24 million dollars (\$600,000,000) of the proceeds of education and transportation

25 bonds and notes, including premium thereon, if any, shall be used for paying

26 the costs of capital outlay projects for constituent institutions and repairs and

27 renovations in the following general amounts set forth below:

28

29 **The University of North Carolina**

30

31	Appalachian State	Wey Hall Renovation	\$20,000,000
32	University		
33			
34	East Carolina	Brody School of Medicine Building	\$172,000,000
35	University		
36			
37	Elizabeth City State	HVAC Replacement	\$4,000,000
38	University		
39			
40	Elizabeth City State	Chiller	\$2,000,000
41	University		
42			
43	Elizabeth City State	Crime Lab	\$2,500,000
44	University		
45			
46	Fayetteville State	Rosenthal and Chick Bldg. Renovation	\$11,000,000
47	University		
48			
49	NC State University	STEM Building	\$80,000,000
50			
51	North Carolina	Carver Hall Renovation	\$18,500,000

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

15

16 (1b) Subject to the provisions of subdivision (2) of this subsection, two hundred

17 million dollars (\$200,000,000) of the proceeds of education and transportation

18 bonds and notes, including premium thereon, if any, shall be used for paying

19 the costs of community college capital outlay projects and repairs and

20 renovations in the following general amount set forth below:

21

22 **NC Community Colleges**

23			
24	Various Statewide	Technology Upgrades, New Construction,	\$200,000,000
25		Repairs, Renovations	
26			
27	Total for NC Community Colleges		\$200,000,000

28

29 (1c) Subject to the provisions of subdivision (2) of this subsection, one billion five

30 hundred million dollars (\$1,500,000,000) of the proceeds of education and

31 transportation bonds and notes, including premium thereon, if any, shall be

32 used for paying the costs of supplemental highway funding for construction

33 and renovations in the following general amount set forth below:

34

35 **Transportation**

36			
37	Various Statewide	Supplemental Highway Funding	\$1,500,000,000
38			
39	Total for Transportation		\$1,500,000,000

40

41 (2) Special allocation provisions. – In determining the use of the proceeds of

42 education and transportation bonds and notes, including premium thereon, if

43 any, set forth in this act, the following special allocation provisions apply:

44 a. The public school capital outlay projects to be financed with the

45 proceeds of the bonds issued under this act shall be determined by the

46 State Board of Education based upon the criteria set forth in this act,

47 and upon application by the county in which the public school capital

48 outlay project is to be located or that will otherwise be served by the

49 public school capital outlay project. With respect to proceeds allocated

50 in subdivision (1) of this subsection:

1 expenditure for public school facilities for the purpose
2 of the match. No other expenditures made or debts
3 incurred before January 1, 2015, may be used to satisfy
4 the match requirement. As counties satisfy the match
5 requirements of this sub-sub-sub-subdivision, they
6 shall document the extent to which they have done so
7 in periodic reports to the State Board of Education.
8 These reports shall include any information and
9 documentation required by the State Board of
10 Education. The State Board of Education shall certify
11 to the State Treasurer from time to time the extent to
12 which the match requirements of this
13 sub-sub-sub-subdivision have been met with respect to
14 each county. Bond proceeds shall be distributed for
15 expenditure only as, and to the extent, the matching
16 requirement of this sub-sub-sub-subdivision are
17 satisfied, as certified by the State Board of Education.
18 If the State Board of Education determines that a
19 county has not met the matching requirement set forth
20 in this sub-sub-sub-subdivision by January 1, 2026, the
21 State Board of Education shall certify that fact to the
22 State Treasurer by March 1, 2026. Amounts that are
23 allocated in the ADM Allocation of bond proceeds
24 under subdivision (1) of this subsection and that have
25 not been certified as matched by the State Board of
26 Education by January 1, 2026, shall be reallocated
27 among the counties that have been certified as having
28 met the matching requirement for that allocation. The
29 reallocation shall be made on the basis of average daily
30 membership of the local school administrative units
31 within the remaining counties. Bond proceeds
32 reallocated to a county because of a local school
33 administrative unit's average daily membership within
34 the county may be used only with respect to public
35 school capital outlay projects of that unit. Bond
36 proceeds reallocated to a county under this
37 sub-sub-sub-subdivision must be matched at the same
38 rate as bond proceeds allocated to the county under this
39 sub-sub-sub-subdivision.

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

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

50 b. With respect to capital outlay projects for a constituent institution to
51 be financed with the proceeds of the bonds issued under this act and

1 allocated in subdivision (1a) of this subsection, the proceeds shall be
2 used for new construction or rehabilitation of existing facilities and
3 repairs and renovations. Any items purchased with such proceeds and
4 installed or replaced as part of a renovation or rehabilitation must have
5 a useful life of at least 10 years or must extend the life of the facility
6 by at least 10 years once renovated or rehabilitated. Local matching
7 fund requirements to receive bond proceeds shall be as follows:

- 8 1. For projects for new construction, the constituent institution
9 receiving the proceeds shall provide matching funds from other
10 non-State funds.
- 11 2. For rehabilitation of existing facilities and repairs and
12 renovations, constituent institutions shall not be required to
13 match bond proceeds allocated in this act.

14 c. The community college capital outlay projects to be financed with the
15 proceeds of the bonds issued under this act shall be determined by the
16 Community Colleges System Office based upon the criteria set forth
17 in this act, and upon application by the community college in which
18 the community college capital outlay projects is to be located or that
19 will otherwise be served by the community college capital outlay
20 projects. With respect to proceeds allocated in subdivision (1b) of this
21 subsection:

- 22 1. The proceeds shall be used for upgrades to the enterprise
23 resource planning information technology ("the ERP system"),
24 new construction or rehabilitation of existing facilities, and
25 repairs and renovations.
- 26 2. Any items purchased with such proceeds for new construction
27 or rehabilitation of existing facilities and repairs and
28 renovations and installed or replaced as part of a renovation or
29 rehabilitation must have a useful life of at least 10 years or
30 must extend the life of the facility by at least 10 years once
31 renovated or rehabilitated. Local matching fund requirements
32 to receive bond proceeds shall be as follows:

- 33 I. For projects for new construction, the community
34 college receiving the proceeds shall provide local
35 matching funds from county funds, other non-State
36 funds, or a combination of these sources for such
37 proceeds. The amount of matching funds shall be (i)
38 one dollar (\$1.00) of local matching funds for every
39 three dollars (\$3.00) of such proceeds for a community
40 college with a main campus located in a development
41 tier one area, as defined in G.S. 143B-437.08, (ii) one
42 dollar (\$1.00) of local matching funds for every two
43 dollars (\$2.00) of such proceeds for a community
44 college with a main campus located in a development
45 tier two area, as defined in G.S. 143B-437.08, and (iii)
46 one dollar (\$1.00) of local matching funds for every
47 one dollar (\$1.00) of such proceeds for a community
48 college with a main campus located in a development
49 tier three area, as defined in G.S. 143B-437.08. The
50 provisions of G.S. 115D-31, or any other provision of
51 law permitting prior expenditures to be used for match

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

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

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

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 for deposit to the Education and Transportation Bonds Fund may be placed in the Education and Transportation Bonds Fund or in a separate account or fund and shall be disbursed, to the extent permitted by the

1 terms of the grant or grants, without regard to any limitations imposed by this
 2 act.

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

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

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

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

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

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

45 "[] FOR [] AGAINST

46 The issuance of one billion six hundred million dollars (\$1,600,000,000) State of
 47 North Carolina Education Bonds constituting general obligation bonds of the State secured by a
 48 pledge of the faith and credit and taxing power of the State for the purpose of providing funds,
 49 with any other available funds, to fund capital improvements, construction of new facilities, and
 50 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 five hundred million dollars (\$1,500,000,000) State of
5 North Carolina Transportation Bonds constituting general obligation bonds of the State secured
6 by a pledge of the faith and credit and taxing power of the State for the purpose of providing
7 funds, with any other available funds, to fund the construction and renovation of highways, roads,
8 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.