

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019**

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**HOUSE BILL 1225
PROPOSED COMMITTEE SUBSTITUTE H1225-CSBAxfa-34 [v.9]
06/16/2020 08:30:11 PM**

Short Title: Education & Transportation Bond Act of 2020.

(Public)

Sponsors:

Referred to:

May 27, 2020

1 A BILL TO BE ENTITLED
2 AN ACT TO ENACT THE EDUCATION AND TRANSPORTATION BOND ACT OF 2020.
3 The General Assembly of North Carolina enacts:

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

6 **SECTION 1.(b)** Purpose. – It is the intent of the General Assembly by this act to
7 provide, subject to a vote of the qualified voters of the State, for the issuance of three billion one
8 hundred million dollars (\$3,100,000,000) in general obligation bonds of the State for the purpose
9 of providing funds, with any other available funds, (i) for public school facilities through grants
10 to counties for public school capital outlay projects and repairs and renovations, in the amount
11 of eight hundred million dollars (\$800,000,000), (ii) for community college facilities for
12 community college capital outlay projects and repairs and renovations, in the amount of two
13 hundred million dollars (\$200,000,000), (iii) for The University of North Carolina facilities for
14 capital outlay projects for constituent institutions and repairs and renovations at such institutions,
15 in the amount of six hundred million dollars (\$600,000,000), and (iv) for public transportation
16 infrastructure projects, including construction and renovation of highways, roads, bridges, and
17 related road infrastructure, in the amount of one billion five hundred million dollars
18 (\$1,500,000,000).

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

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

22 (1a) Capital outlay project for a constituent institution. – A project for any of the
23 following:

- 24 a. Construction of one or more new buildings located at a constituent
25 institution of The University of North Carolina.
- 26 b. Renovation of one or more existing buildings located at a constituent
27 institution of The University of North Carolina.
- 28 c. Construction, acquisition, and installation of technology infrastructure
29 at or in support of a constituent institution of The University of North
30 Carolina.
- 31 d. Acquisition and installation of equipment for a building located at a
32 constituent institution of The University of North Carolina that will be
33 used for an instructional or related purpose.
- 34 e. Purchase of land necessary for construction to commence within 24
35 months of one or more buildings at a constituent institution of The
36 University of North Carolina.



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- 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 administration of the project
6 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 administration of the project
26 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 undertaking
6 in each case may include allocations to pay the costs set forth in sub-subdivisions c. through g.
7 of this subdivision in connection with the issuance of bonds for the project or undertaking.

- 8 (3) Credit facility agreement. – An agreement entered into by the State Treasurer
9 on behalf of the State with a bank, savings and loan association, or other
10 banking institution; an insurance company, reinsurance company, surety
11 company, or other insurance institution; a corporation, investment banking
12 firm, or other investment institution; or any financial institution or other
13 similar provider of a credit facility agreement, which provider may be located
14 within or without the United States of America, such agreement providing for
15 prompt payment of all or any part of the principal or purchase price (whether
16 at maturity, presentment or tender for purchase, redemption, or acceleration),
17 redemption premium, if any, and interest on any bonds or notes payable on
18 demand or tender by the owner, in consideration of the State agreeing to repay
19 the provider of the credit facility agreement in accordance with the terms and
20 provisions of such agreement.

- 21 (4) Notes. – Notes issued under this act.

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

- 25 a. A provision providing for such adjustment so that the purchase price
26 of such bonds or notes in the open market would be as close to par as
27 possible;
28 b. A provision providing for such adjustment based upon a percentage or
29 percentages of a LIBOR rate, a prime rate, or base rate, which
30 percentage or percentages may vary or be applied for different periods
31 of time; or
32 c. Such other provision as the State Treasurer may determine to be
33 consistent with this act and will not materially and adversely affect the
34 financial position of the State and the marketing of bonds or notes at a
35 reasonable interest cost to the State.

- 36 (6) Public school capital outlay project. – A project for any of the following:

- 37 a. Construction of one or more new public school buildings.
38 b. Renovation of one or more existing public school buildings.
39 c. Construction, acquisition, and installation of technology infrastructure
40 for a public school building.
41 d. Acquisition and installation of equipment or fixtures to ensure
42 building security for a public school building.
43 e. Acquisition and installation of equipment for a public school building
44 that will be used for an instructional or related purpose.
45 f. Purchase of land necessary for construction to commence within 24
46 months of one or more public school buildings.
47 g. Other related capital outlay projects to provide facilities for individual
48 public schools that are used for instructional or related purposes.

49 The term does not include projects for trailers, relocatable classrooms, mobile
50 classrooms, or for facilities for centralized administration, other than administration of the project
51 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 question 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 Schools	\$ 461,532	\$0	\$ 5,000,000	\$ 5,461,532
Avery County Schools	\$ 298,361	\$0	\$ 5,000,000	\$ 5,298,361

1	Beaufort County				
2	Schools	\$ 998,361	\$ 316,504	\$ 5,000,000	\$ 6,314,865
3	Bertie County				
4	Schools	\$ 312,351	\$ 315,389	\$ 5,000,000	\$ 5,627,740
5	Bladen County				
6	Schools	\$ 643,566	\$ 669,175	\$ 5,000,000	\$ 6,312,741
7	Brunswick County				
8	Schools	\$ 2,020,144	\$0	\$ 5,000,000	\$ 7,020,144
9	Buncombe County				
10	Schools	\$ 3,728,409	\$0	\$ 4,227,958	\$ 7,956,367
11	Asheville City				
12	Schools	\$ 680,822	\$0	\$ 772,042	\$ 1,452,864
13	Burke County				
14	Schools	\$ 1,871,907	\$ 1,793,520	\$ 5,000,000	\$ 8,665,427
15	Cabarrus County				
16	Schools	\$ 5,416,709	\$0	\$ 4,320,644	\$ 9,737,353
17	Kannapolis City				
18	Schools	\$ 851,696	\$ 108,475	\$ 679,356	\$ 1,639,527
19	Caldwell County				
20	Schools	\$ 1,765,484	\$ 1,317,662	\$ 5,000,000	\$ 8,083,146
21	Camden County				
22	Schools	\$ 296,789	\$ 181,349	\$ 5,000,000	\$ 5,478,138
23	Carteret County Public				
24	Schools	\$ 1,271,885	\$0	\$ 5,000,000	\$ 6,271,885
25	Caswell County				
26	Schools	\$ 370,357	\$ 262,738	\$ 5,000,000	\$ 5,633,095
27	Catawba County				
28	Schools	\$ 2,475,388	\$0	\$ 3,453,896	\$ 5,929,284
29	Hickory City				
30	Schools	\$ 647,653	\$0	\$ 903,667	\$ 1,551,320
31	Newton-Conover City				
32	Schools	\$ 460,431	\$0	\$ 642,437	\$ 1,102,868
33	Chatham County				
34	Schools	\$ 1,425,938	\$0	\$ 5,000,000	\$ 6,425,938
35	Cherokee County				
36	Schools	\$ 487,626	\$ 96,667	\$ 5,000,000	\$ 5,584,293
37	Edenton-Chowan				
38	Schools	\$ 295,531	\$ 120,352	\$ 5,000,000	\$ 5,415,883
39	Clay County				
40	Schools	\$ 202,313	\$0	\$ 5,000,000	\$ 5,202,313
41	Cleveland County				
42	Schools	\$ 2,221,829	\$ 1,546,503	\$ 5,000,000	\$ 8,768,332
43	Columbus County				
44	Schools	\$ 848,080	\$ 1,140,313	\$ 3,555,423	\$ 5,543,816
45	Whiteville City				
46	Schools	\$ 344,577	\$ 463,311	\$ 1,444,577	\$ 2,252,465
47	Craven County				
48	Schools	\$ 2,089,940	\$ 601,492	\$ 5,000,000	\$ 7,691,432
49	Cumberland County				
50	Schools	\$ 7,913,476	\$ 5,308,410	\$ 5,000,000	\$18,221,886
51	Currituck County				

1	Schools	\$ 680,979	\$0	\$ 5,000,000	\$ 5,680,979
2	Dare County				
3	Schools	\$ 832,518	\$0	\$ 5,000,000	\$ 5,832,518
4	Davidson County				
5	Schools	\$ 2,924,344	\$ 1,333,577	\$ 3,886,637	\$ 8,144,558
6	Lexington City				
7	Schools	\$ 480,710	\$ 219,216	\$ 638,894	\$ 1,338,820
8	Thomasville City				
9	Schools	\$ 356,995	\$ 162,799	\$ 474,469	\$ 994,263
10	Davie County				
11	Schools	\$ 959,219	\$ 9,976	\$ 5,000,000	\$ 5,969,195
12	Duplin County				
13	Schools	\$ 1,517,899	\$ 1,890,485	\$ 5,000,000	\$ 8,408,384
14	Durham Public				
15	Schools	\$ 5,289,380	\$0	\$ 5,000,000	\$10,289,380
16	Edgecombe County Public				
17	Schools	\$ 883,607	\$ 1,112,629	\$ 5,000,000	\$ 6,996,236
18	Winston-Salem/Forsyth County				
19	Schools	\$ 8,453,607	\$0	\$ 5,000,000	\$13,453,607
20	Franklin County				
21	Schools	\$ 1,266,854	\$ 981,492	\$ 5,000,000	\$ 7,248,346
22	Gaston County				
23	Schools	\$ 4,869,191	\$ 1,115,247	\$ 5,000,000	\$10,984,438
24	Gates County				
25	Schools	\$ 250,730	\$ 248,238	\$ 5,000,000	\$ 5,498,968
26	Graham County				
27	Schools	\$ 179,205	\$ 27,805	\$ 5,000,000	\$ 5,207,010
28	Granville County				
29	Schools	\$ 1,136,695	\$ 1,157,036	\$ 5,000,000	\$ 7,293,731
30	Greene County				
31	Schools	\$ 452,886	\$ 633,314	\$ 5,000,000	\$ 6,086,200
32	Guilford County				
33	Schools	\$11,213,051	\$0	\$ 5,000,000	\$16,213,051
34	Halifax County				
35	Schools	\$ 344,891	\$ 337,492	\$ 1,920,181	\$ 2,602,564
36	Roanoke Rapids City				
37	Schools	\$ 434,494	\$ 425,172	\$ 2,419,046	\$ 3,278,712
38	Weldon City				
39	Schools	\$ 118,684	\$ 116,138	\$ 660,773	\$ 895,595
40	Harnett County				
41	Schools	\$ 3,252,101	\$ 3,769,036	\$ 5,000,000	\$12,021,137
42	Haywood County				
43	Schools	\$ 1,122,861	\$0	\$ 5,000,000	\$ 6,122,861
44	Henderson County				
45	Schools	\$ 2,116,349	\$0	\$ 5,000,000	\$ 7,116,349
46	Hertford County				
47	Schools	\$ 415,944	\$ 413,352	\$ 5,000,000	\$ 5,829,296
48	Hoke County				
49	Schools	\$ 1,421,222	\$ 2,113,521	\$ 5,000,000	\$ 8,534,743
50	Hyde County				
51	Schools	\$ 85,044	\$0	\$ 5,000,000	\$ 5,085,044

1	Iredell-Statesville				
2	Schools	\$ 3,251,629	\$0	\$ 3,862,168	\$ 7,113,797
3	Mooreville Graded School				
4	District	\$ 957,961	\$0	\$ 1,137,832	\$ 2,095,793
5	Jackson County				
6	Schools	\$ 567,954	\$0	\$ 5,000,000	\$ 5,567,954
7	Johnston County				
8	Schools	\$ 5,947,880	\$ 4,806,835	\$ 5,000,000	\$15,754,715
9	Jones County				
10	Schools	\$ 162,071	\$ 50,899	\$ 5,000,000	\$ 5,212,970
11	Lee County				
12	Schools	\$ 1,556,097	\$ 935,237	\$ 5,000,000	\$ 7,491,334
13	Lenoir County Public				
14	Schools	\$ 1,333,977	\$ 1,197,400	\$ 5,000,000	\$ 7,531,377
15	Lincoln County				
16	Schools	\$ 1,792,994	\$0	\$ 5,000,000	\$ 6,792,994
17	Macon County				
18	Schools	\$ 705,502	\$0	\$ 5,000,000	\$ 5,705,502
19	Madison County				
20	Schools	\$ 354,009	\$ 22,880	\$ 5,000,000	\$ 5,376,889
21	Martin County				
22	Schools	\$ 448,327	\$ 455,188	\$ 5,000,000	\$ 5,903,515
23	McDowell County				
24	Schools	\$ 933,124	\$ 748,283	\$ 5,000,000	\$ 6,681,407
25	Charlotte-Mecklenburg				
26	Schools	\$23,333,445	\$0	\$ 5,000,000	\$28,333,445
27	Mitchell County				
28	Schools	\$ 288,929	\$ 38,950	\$ 5,000,000	\$ 5,327,879
29	Montgomery County				
30	Schools	\$ 580,687	\$ 260,409	\$ 5,000,000	\$ 5,841,096
31	Moore County				
32	Schools	\$ 2,044,038	\$0	\$ 5,000,000	\$ 7,044,038
33	Nash-Rocky Mount				
34	Schools	\$ 2,360,320	\$ 1,825,582	\$ 5,000,000	\$ 9,185,902
35	New Hanover County				
36	Schools	\$ 4,087,448	\$0	\$ 5,000,000	\$ 9,087,448
37	Northampton County				
38	Schools	\$ 221,177	\$ 205,922	\$ 5,000,000	\$ 5,427,099
39	Onslow County				
40	Schools	\$ 4,339,907	\$ 1,693,271	\$ 5,000,000	\$11,033,178
41	Orange County				
42	Schools	\$ 1,160,274	\$0	\$ 1,874,016	\$ 3,034,290
43	Chapel Hill-Carrboro City				
44	Schools	\$ 1,935,415	\$0	\$ 3,125,984	\$ 5,061,399
45	Pamlico County				
46	Schools	\$ 196,025	\$ 9,389	\$ 5,000,000	\$ 5,205,414
47	Elizabeth City-Pasquotank Public				
48	Schools	\$ 823,400	\$ 578,327	\$ 5,000,000	\$ 6,401,727
49	Pender County				
50	Schools	\$ 1,567,730	\$ 836,129	\$ 5,000,000	\$ 7,403,859
51	Perquimans County				

1	Schools	\$ 256,861	\$ 30,536	\$ 5,000,000	\$ 5,287,397
2	Person County				
3	Schools	\$ 680,036	\$ 230,478	\$ 5,000,000	\$ 5,910,514
4	Pitt County				
5	Schools	\$ 3,745,386	\$ 2,220,436	\$ 5,000,000	\$10,965,822
6	Polk County				
7	Schools	\$ 332,158	\$0	\$ 5,000,000	\$ 5,332,158
8	Randolph County				
9	Schools	\$ 2,486,392	\$ 2,046,442	\$ 3,874,627	\$ 8,407,461
10	Asheboro City				
11	Schools	\$ 722,165	\$ 594,383	\$ 1,125,373	\$ 2,441,921
12	Richmond County				
13	Schools	\$ 1,103,212	\$ 1,326,092	\$ 5,000,000	\$ 7,429,304
14	Public Schools of Robeson				
15	County	\$ 3,349,406	\$ 5,554,180	\$ 5,000,000	\$13,903,586
16	Rockingham County				
17	Schools	\$ 1,820,504	\$ 1,580,069	\$ 5,000,000	\$ 8,400,573
18	Rowan-Salisbury				
19	Schools	\$ 2,948,395	\$ 1,577,179	\$ 5,000,000	\$ 9,525,574
20	Rutherford County				
21	Schools	\$ 1,197,059	\$ 812,484	\$ 5,000,000	\$ 7,009,543
22	Sampson County				
23	Schools	\$ 1,257,894	\$ 1,473,254	\$ 3,653,215	\$ 6,384,363
24	Clinton City				
25	Schools	\$ 463,732	\$ 543,127	\$ 1,346,785	\$ 2,353,644
26	Scotland County				
27	Schools	\$ 879,834	\$ 1,218,594	\$ 5,000,000	\$ 7,098,428
28	Stanly County				
29	Schools	\$ 1,312,284	\$ 842,575	\$ 5,000,000	\$ 7,154,859
30	Stokes County				
31	Schools	\$ 913,474	\$ 626,323	\$ 5,000,000	\$ 6,539,797
32	Surry County				
33	Schools	\$ 1,168,449	\$ 729,233	\$ 3,626,562	\$ 5,524,244
34	Elkin City				
35	Schools	\$ 189,266	\$ 118,122	\$ 587,432	\$ 894,820
36	Mount Airy City				
37	Schools	\$ 253,245	\$ 158,051	\$ 786,006	\$ 1,197,302
38	Swain County				
39	Schools	\$ 305,906	\$ 40,233	\$ 5,000,000	\$ 5,346,139
40	Transylvania County				
41	Schools	\$ 531,485	\$0	\$ 5,000,000	\$ 5,531,485
42	Tyrrell County				
43	Schools	\$ 98,877	\$ 111,732	\$ 5,000,000	\$ 5,210,609
44	Union County Public				
45	Schools	\$ 6,598,205	\$0	\$ 5,000,000	\$11,598,205
46	Vance County				
47	Schools	\$ 831,417	\$ 1,067,286	\$ 5,000,000	\$ 6,898,703
48	Wake County				
49	Schools	\$25,738,094	\$0	\$ 5,000,000	\$30,738,094
50	Warren County				
51	Schools	\$ 280,597	\$ 46,144	\$ 5,000,000	\$ 5,326,741

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

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

(1a) Subject to the provisions of subdivision (2) of this subsection, six hundred million dollars (\$600,000,000) of the proceeds of education and transportation bonds and notes, including premium thereon, if any, shall be used for paying the costs of capital outlay projects for constituent institutions and repairs and renovations in the following general amounts set forth below:

The University of North Carolina

27	Appalachian State University	Wey Hall Renovation	\$20,000,000
30	East Carolina University	Brody School of Medicine Building	\$172,000,000
33	Elizabeth City State University	HVAC Replacement	\$4,000,000
36	Elizabeth City State University	Chiller	\$2,000,000
39	Elizabeth City State University	Crime Lab	\$2,500,000
42	Fayetteville State University	Rosenthal and Chick Bldg. Renovation	\$11,000,000
45	NC State University	STEM Building	\$80,000,000
47	North Carolina A & T State University	Carver Hall Renovation	\$18,500,000
51	UNC – Chapel Hill	Business Building	\$75,000,000

UNC – Chapel Hill	Carrington Hall Renovation	\$40,000,000
UNC – Charlotte	Cameron and Burson Renovation	\$45,000,000
UNC – Greensboro	Jackson Library Renovation/Addition	\$55,000,000
UNC – Pembroke	Health Sciences Center	\$75,000,000

Total for The University of North Carolina **\$600,000,000**

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

NC Community Colleges

Various Statewide	Technology Upgrades, New Construction, Repairs, Renovations	\$200,000,000
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Total for NC Community Colleges **\$200,000,000**

(1c) Subject to the provisions of subdivision (2) of this subsection, one billion five hundred million dollars (\$1,500,000,000) of the proceeds of education and transportation bonds and notes, including premium thereon, if any, shall be used for paying the costs of supplemental highway funding for construction and renovations in the following general amount set forth below:

Transportation

Various Statewide	Supplemental Highway Funding	\$1,500,000,000
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Total for Transportation **\$1,500,000,000**

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

a. The public school capital outlay projects to be financed with the proceeds of the bonds issued under this act shall be determined by the State Board of Education based upon the criteria set forth in this act, and upon application by the county in which the public school capital outlay project is to be located or that will otherwise be served by the public school capital outlay project. With respect to proceeds allocated in subdivision (1) of this subsection:

1. The proceeds shall be used for new construction or rehabilitation of existing facilities and repairs and renovations. Any items purchased with such proceeds and installed or replaced as part of a renovation or rehabilitation must have a

- 1 useful life of at least 10 years or must extend the life of the
2 facility by at least 10 years once renovated or rehabilitated.
- 3 2. In the case of a local school administrative unit located entirely
4 in one county, the unit's total distribution amount shall be
5 allocated to that county. In the case of a local school
6 administrative unit located in more than one county, the unit's
7 distribution amount shall be allocated among the counties in
8 which the unit is located in proportion to average daily
9 membership of the unit in each county. A unit's distribution
10 amount allocated to a county may be used only with respect to
11 public school facilities of that unit. If two or more local school
12 administrative units are consolidated into one unit, the
13 distribution amounts provided in subdivision (1) of this
14 subsection for the units shall be considered the distribution
15 amount for the merged unit.
- 16 3. Local matching fund requirement for bond proceeds shall be
17 as follows:
- 18 I. A county shall not be required to provide local
19 matching funds for the bond proceeds if any portion of
20 the proceeds results from low-wealth county
21 allocations.
- 22 II. A county shall be required to provide local matching
23 funds for the bond proceeds if the county does not
24 receive any portion of the proceeds from low-wealth
25 county allocations. The county shall provide local
26 matching funds from county funds, other non-State
27 funds, or a combination of these sources for such
28 proceeds. The amount of matching funds shall be (i)
29 one dollar (\$1.00) of local matching funds for every
30 three dollars (\$3.00) of such proceeds for a local school
31 administrative unit located in a county that is a
32 development tier one area, as defined in
33 G.S. 143B-437.08, (ii) one dollar (\$1.00) of local
34 matching funds for every two dollars (\$2.00) of such
35 proceeds for a local school administrative unit located
36 in a county that is a development tier two area, as
37 defined in G.S. 143B-437.08, and (iii) one dollar
38 (\$1.00) of local matching funds for every one dollar
39 (\$1.00) of such proceeds for a local school
40 administrative unit located in a county that is a
41 development tier three area, as defined in
42 G.S. 143B-437.08. The match requirement may be
43 satisfied by non-State expenditures for public school
44 facilities made on or after January 1, 2015. If a debt has
45 been incurred since January 1, 2015, for the general
46 purpose of public school facilities, then the face
47 amount of the debt shall be considered as a non-State
48 expenditure for public school facilities for the purpose
49 of the match. No other expenditures made or debts
50 incurred before January 1, 2015, may be used to satisfy
51 the match requirement. As counties satisfy the match

requirements of this sub-sub-sub-subdivision, they shall document the extent to which they have done so in periodic reports to the State Board of Education. These reports shall include any information and documentation required by the State Board of Education. The State Board of Education shall certify to the State Treasurer from time to time the extent to which the match requirements of this sub-sub-sub-subdivision have been met with respect to each county. Bond proceeds shall be distributed for expenditure only as, and to the extent, the matching requirement of this sub-sub-sub-subdivision are satisfied, as certified by the State Board of Education. If the State Board of Education determines that a county has not met the matching requirement set forth in this sub-sub-sub-subdivision by January 1, 2026, the State Board of Education shall certify that fact to the State Treasurer by March 1, 2026. Amounts that are allocated in the ADM Allocation of bond proceeds under subdivision (1) of this subsection and that have not been certified as matched by the State Board of Education by January 1, 2026, shall be reallocated among the counties that have been certified as having met the matching requirement for that allocation. The reallocation shall be made on the basis of average daily membership of the local school administrative units within the remaining counties. Bond proceeds reallocated to a county because of a local school administrative unit's average daily membership within the county may be used only with respect to public school capital outlay projects of that unit. Bond proceeds reallocated to a county under this sub-sub-sub-subdivision must be matched at the same rate as bond proceeds allocated to the county under this sub-sub-sub-subdivision.

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

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

b. With respect to capital outlay projects for a constituent institution to be financed with the proceeds of the bonds issued under this act and allocated in subdivision (1a) of this subsection, the proceeds shall be used for new construction or rehabilitation of existing facilities and repairs and renovations. Any items purchased with such proceeds and installed or replaced as part of a renovation or rehabilitation must have

a useful life of at least 10 years or must extend the life of the facility by at least 10 years once renovated or rehabilitated. Local matching fund requirements to receive bond proceeds shall be as follows:

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

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

1. The proceeds shall be used for upgrades to the enterprise resource planning information technology ("the ERP system"), new construction or rehabilitation of existing facilities, and repairs and renovations.
2. Any items purchased with such proceeds for new construction or rehabilitation of existing facilities and repairs and renovations and installed or replaced as part of a renovation or rehabilitation must have a useful life of at least 10 years or must extend the life of the facility by at least 10 years once renovated or rehabilitated. Local matching fund requirements to receive bond proceeds shall be as follows:
 - I. For projects for new construction, the community college receiving the proceeds shall provide local matching funds from county funds, other non-State funds, or a combination of these sources for such proceeds. The amount of matching funds shall be (i) one dollar (\$1.00) of local matching funds for every three dollars (\$3.00) of such proceeds for a community college with a main campus located in a development tier one area, as defined in G.S. 143B-437.08, (ii) one dollar (\$1.00) of local matching funds for every two dollars (\$2.00) of such proceeds for a community college with a main campus located in a development tier two area, as defined in G.S. 143B-437.08, and (iii) one dollar (\$1.00) of local matching funds for every one dollar (\$1.00) of such proceeds for a community college with a main campus located in a development tier three area, as defined in G.S. 143B-437.08. The provisions of G.S. 115D-31, or any other provision of law permitting prior expenditures to be used for match purposes, do not apply for purposes of meeting the matching funds requirements of this act.

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

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

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

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

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

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

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

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

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

The bond question to be used in the ballots or voting systems shall be in substantially the following form:

"[] FOR [] AGAINST

The issuance of three billion one hundred million dollars (\$3,100,000,000) State of North Carolina Education and Transportation Bonds constituting general obligation bonds of the State secured by a pledge of the faith and credit and taxing power of the State for the purpose of providing funds, with any other available funds, to fund capital improvements, construction of new facilities, and the renovation and rehabilitation of existing facilities for the State's public education system in local school administrative units, community colleges of the North Carolina Community College System, and constituent institutions of The University of North Carolina

1 and to fund the construction and renovation of highways, roads, bridges, and related road
2 infrastructure."

3 If a majority of those voting on a bond question in the election vote in favor of the
4 issuance of the bonds described in the question, those bonds may be issued as provided in this
5 act. If a majority of those voting on the bond question in the election do not vote in favor of the
6 issuance of the bonds described in the question, those bonds shall not be issued.

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

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

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

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

48 (3) Manner of sale; expenses. – Subject to the consent of the Council of State, the
49 State Treasurer shall determine the manner in which bonds or notes shall be
50 offered for sale, whether at public or private sale, whether within or without
51 the United States of America, and whether by publishing notices in certain

1 newspapers and financial journals, mailing notices, inviting bids by
2 correspondence, negotiating contracts of purchase, or otherwise, and the State
3 Treasurer is authorized to sell bonds or notes at one time or from time to time
4 at such rate or rates of interest, which may vary from time to time, and at such
5 price or prices, including a price less than the face amount of the bonds or the
6 notes, as the State Treasurer may determine. All expenses incurred in
7 preparation, sale, and issuance of bonds or notes shall be paid by the State
8 Treasurer from the proceeds of bonds or notes or other available monies.

9 (4) Notes; repayment. –

10 a. Subject to the consent of the Council of State, the State Treasurer is
11 hereby authorized to borrow money and to execute and issue notes of
12 the State for the same, but only in the following circumstances and
13 under the following conditions:

- 14 1. For anticipating the sale of bonds to the issuance of which the
15 Council of State shall have given consent, if the State Treasurer
16 shall deem it advisable to postpone the issuance of the bonds.
- 17 2. For the payment of interest on or any installment of principal
18 of any bonds then outstanding, if there shall not be sufficient
19 funds in the State treasury with which to pay the interest or
20 installment of principal as they respectively become due.
- 21 3. For the renewal of any loan evidenced by notes herein
22 authorized.
- 23 4. For the purposes authorized in this act.
- 24 5. For refunding bonds or notes as herein authorized.

25 b. Funds derived from the sale of bonds or notes may be used in the
26 payment of any bond anticipation notes issued under this section.
27 Funds provided by the General Assembly for the payment of interest
28 on or principal of bonds shall be used in paying the interest on or
29 principal of any notes and any renewals thereof, the proceeds of which
30 shall have been used in paying interest on or principal of the bonds.

31 (5) Refunding bonds and notes. – By and with the consent of the Council of State,
32 the State Treasurer is authorized to issue and sell refunding bonds and notes
33 pursuant to the provisions of the State Refunding Bond Act for the purpose of
34 refunding bonds or notes issued pursuant to this act. The refunding bonds and
35 notes may be combined with any other issues of State bonds and notes
36 similarly secured.

37 (6) Tax exemption. – Bonds and notes shall be exempt from all State, county, and
38 municipal taxation or assessment, direct or indirect, general or special,
39 whether imposed for the purpose of general revenue or otherwise, excluding
40 inheritance and gift taxes, income taxes on the gain from the transfer of bonds
41 and notes, and franchise taxes. The interest on bonds and notes shall not be
42 subject to taxation as to income.

43 (7) Investment eligibility. – Bonds and notes are hereby made securities in which
44 all public officers, agencies, and public bodies of the State and its political
45 subdivisions; all insurance companies, trust companies, investment
46 companies, banks, savings banks, savings and loan associations, credit unions,
47 pension or retirement funds, other financial institutions engaged in business
48 in the State; executors, administrators, trustees, and other fiduciaries may
49 properly and legally invest funds, including capital in their control or
50 belonging to them. Bonds and notes are hereby made securities that may
51 properly and legally be deposited with and received by any officer or agency

of the State or political subdivision of the State for any purpose for which the deposit of bonds, notes, or obligations of the State or any political subdivision of the State is now or may hereafter be authorized by law.

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

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

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

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

SECTION 1.(j) Interpretation of Act. –

- (1) Additional method. – The foregoing subsections of this section shall be deemed to provide an additional and alternative method for the doing of the things authorized thereby and shall be regarded as supplemental and additional to powers conferred by other laws and shall not be regarded as in derogation of any powers now existing.
- (2) Statutory references. – References in this act to specific sections or Chapters of the General Statutes or to specific acts are intended to be references to these sections, Chapters, or acts as they may be amended from time to time by the General Assembly.
- (3) Broad construction. – The General Assembly specifically has chosen to combine what otherwise might be considered differing projects to be financed into one bond bill and bond question because the General Assembly finds that such differing projects, when taken together, constitute an interrelated, united, and single plan for the State's infrastructure needs with regard to the State's public education and transportation systems as stated aforesaid. Accordingly, this act, being necessary for the health, welfare, and advancement of the people of the State, shall be broadly construed to affect the purposes thereof.

- (4) Inconsistent provisions. – Insofar as the provisions of this section are inconsistent with the provisions of any general laws, or parts thereof, the provisions of this act shall be controlling.
- (5) Severability. – If any provision of this section or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end, the provisions of this section are declared to be severable.

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

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

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

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

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

10 **SECTION 3.(a)** Projects funded in whole or in part with the proceeds of education
11 and transportation bonds and notes, including premium thereon, if any, issued pursuant to this
12 act, and that portion of funds estimated to be needed for escalation of costs shall remain with the
13 Office of State 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.** Any funds from the Education and Transportation Bond authorized by
22 this act that are expended for school technology for public schools shall be reported to the State
23 Board of Education and shall be credited against the judgment in *N.C. Sch. Bds. Ass'n. v. Moore*,
24 No. 98-CVS-14159 (N.C. Super. Ct.).

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