GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2005

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HOUSE DRH10237-LE-181A (3/16)

| Short Title: | Education Facility Financing Study. | | | | | | (Public) |
|--------------|-------------------------------------|---------|----------|----------|-----|--------|----------|
| Sponsors: | Representatives Sponsors). | Yongue, | Johnson, | Preston, | and | Carney | (Primary |
| Referred to: | | | | | | | |
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1 A BILL TO BE ENTITLED

AN ACT ESTABLISHING THE EDUCATION FACILITY FINANCING STUDY COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Establishment of the Commission. – The Education Facility Financing Study Commission is established.

SECTION 1.(b) Membership. – The Commission shall be composed of 16 members, as follows:

- (1) Eight members appointed by the President Pro Tempore of the Senate: two members of the Senate from urban areas, two members of the Senate from rural areas, one member representing a large, fast-growing, urban school administrative unit that is a plaintiff in the Leandro school-financing litigation, one member from the financial services industry, one county commissioner, and one educator. One of these members shall serve as cochair; and
- (2) Eight members appointed by the Speaker of the House of Representatives: two members of the House of Representatives from urban areas, two members of the House of Representatives from rural areas, one member representing a rural school administrative unit that is a plaintiff in the Leandro school-financing litigation, one member who is knowledgeable about municipal and school finance, one school board member, and one educator. One of these members shall serve as cochair.

Vacancies shall be filled by the appointing authority.

SECTION 1.(c) Duties of the Commission. – The Commission shall examine the present system of local financing for school facilities and shall study

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 alternative options for financing local school construction, renovation, repair, and maintenance. The Commission may study and consider public-private partnerships for school construction and facility ownership, sale lease-back arrangements, private and commercial financing arrangements, design standards for school facilities that may facilitate alternative financing techniques, alternative local revenue sources for financing school facilities, the use of real estate investment trusts, State and local construction bond pools, and any other financing issues deemed pertinent by the Commission.

SECTION 1.(d) Expenses of Members. – Members of the Commission shall receive per diem, subsistence, and travel allowances in accordance with G.S. 120-3.1, 138-5, or 138-6, as appropriate.

SECTION 1.(e) Consultants and Other Staff. – The Commission may hire consultants to provide research, staff support, and information about school financing in other states to the Commission, in accordance with G.S. 120-32.02. The Legislative Services Office, with the prior approval of the Legislative Services Commission, shall also assign professional and clerical staff to assist the Commission in its work.

SECTION 1.(f) Cooperation by Government Agencies. – The Commission may call upon any department, agency, institution, or officer of the State or any political subdivision of the State for facilities, data, or other assistance. All State departments and agencies, local governments, and their subdivisions shall cooperate with the Commission and, upon request, shall furnish the Commission and its staff any information in their possession or available to them.

SECTION 1.(g) Meetings During Legislative Session. – The Commission may meet during a regular or extra session of the General Assembly.

SECTION 1.(h) Meeting Location. – The Legislative Services Commission shall grant adequate meeting space to the Commission in the State Legislative Building or the Legislative Office Building. The Commission may also meet at various locations around the State in order to promote greater public participation in its deliberations.

SECTION 1.(i) Reports. – The Commission shall make a final report to the 2006 Regular Session of the 2005 General Assembly no later than March 31, 2006. The final report shall contain recommendations for legislation to implement recommendations made by the Commission. The Commission shall terminate on March 31, 2006.

SECTION 1.(j) Notwithstanding the provisions of G.S. 115C-546.1(b), the Secretary of Revenue shall remit to the State Treasurer for credit to the General Assembly the sum of one hundred thousand dollars (\$100,000) of the funds to be deposited in the Public School Building Capital Fund pursuant to G.S. 115C-546.1(b) during the 2005-2006 fiscal year. These funds shall be used for the expenses of the Education Facility Financing Study Commission. The Commission may also apply for, receive, or accept grants and contributions, subject to the provisions of G.S. 120-32.03, to support the work of the Commission.

SECTION 2. This act becomes effective July 1, 2005.

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