

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019**

**H**

**2**

**HOUSE BILL 241  
Committee Substitute Favorable 3/5/19**

Short Title: Education Bond Act of 2019.

(Public)

Sponsors:

Referred to:

March 4, 2019

1 A BILL TO BE ENTITLED  
2 AN ACT TO ENACT THE EDUCATION BOND ACT OF 2019.  
3 The General Assembly of North Carolina enacts:

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

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 one billion nine  
8 hundred million dollars (\$1,900,000,000) 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 one billion five hundred million dollars (\$1,500,000,000), (ii) for community college facilities  
12 for community college capital outlay projects and repairs and renovations, in the amount of two  
13 hundred million dollars (\$200,000,000), and (iii) for The University of North Carolina facilities  
14 for capital outlay projects for constituent institutions and repairs and renovations at such  
15 institutions, in the amount of two hundred million dollars (\$200,000,000).

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

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

19 (1a) Capital outlay project for a constituent institution. – A project for the  
20 construction of one or more new buildings or the renovation of one or more  
21 existing buildings located at a constituent institution of The University of  
22 North Carolina, for the building of technology infrastructure, for the purchase  
23 of equipment for a building located at a constituent institution of The  
24 University of North Carolina where the building has never been used for  
25 education purposes or equipment related to the improvement of an existing  
26 constituent institution building that will be used at the building or become  
27 affixed to the building during its use for education, for the purchase of land  
28 necessary for construction to commence within 24 months of one or more  
29 constituent institution buildings, and for other related capital outlay projects  
30 to provide facilities for individual constituent institutions that are used for  
31 instructional or related purposes. The term does not include projects for  
32 facilities for centralized administration, trailers, relocatable classrooms, or  
33 mobile classrooms.

34 (1b) Community college capital outlay project. – A project for the construction of  
35 one or more new community college buildings located on a community  
36 college campus or the renovation of one or more existing community college



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

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

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

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

42 (3) Credit facility agreement. – An agreement entered into by the State Treasurer  
43 on behalf of the State with a bank, savings and loan association, or other  
44 banking institution; an insurance company, reinsurance company, surety  
45 company, or other insurance institution; a corporation, investment banking  
46 firm, or other investment institution; or any financial institution or other  
47 similar provider of a credit facility agreement, which provider may be located  
48 within or without the United States of America, such agreement providing for  
49 prompt payment of all or any part of the principal or purchase price (whether  
50 at maturity, presentment or tender for purchase, redemption, or acceleration),  
51 redemption premium, if any, and interest on any bonds or notes payable on

1 demand or tender by the owner, in consideration of the State agreeing to repay  
2 the provider of the credit facility agreement in accordance with the terms and  
3 provisions of such agreement.

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

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

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

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

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

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

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

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

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

48 (1) Subject to the provisions of subdivision (2) of this subsection, one billion five  
49 hundred million dollars (\$1,500,000,000) of the proceeds of education bonds  
50 and notes, including premium thereon, if any, shall be used for the purpose of  
51 making grants to counties for paying the cost of public school capital outlay

1 projects and repairs and renovations in the following general amounts set forth  
 2 in this subdivision. Any additional monies that may be received by means of  
 3 a grant or grants from the United States of America or any agency or  
 4 department thereof or from any other source to aid in financing the cost of  
 5 public school capital outlay projects authorized by this act may be placed by  
 6 the State Treasurer in the Education Bonds Fund or in a separate account or  
 7 fund and shall be disbursed, to the extent permitted by the terms of the grant  
 8 or grants, without regard to limitations imposed by this act.

9	LEA	ADM	Low-Wealth County	ADM Growth	Adjustment Factor	Total
10	Alamance-Burlington					
11	Schools	\$ 4,011,009	\$11,774,969	\$ 536,440	\$0	\$16,322,419
12	Alexander County					
13	Schools	\$ 844,052	\$ 5,393,020	\$0	\$ 3,762,928	\$10,000,000
14	Alleghany County					
15	Schools	\$ 236,419	\$0	\$0	\$ 9,763,581	\$10,000,000
16	Anson County					
17	Schools	\$ 560,349	\$ 4,829,715	\$0	\$ 4,609,936	\$10,000,000
18	Ashe County					
19	Schools	\$ 523,827	\$0	\$0	\$ 9,476,173	\$10,000,000
20	Avery County					
21	Schools	\$ 338,220	\$0	\$0	\$ 9,661,780	\$10,000,000
22	Beaufort County					
23	Schools	\$ 1,134,106	\$ 2,093,891	\$0	\$ 6,772,003	\$10,000,000
24	Bertie County					
25	Schools	\$ 371,213	\$ 3,171,842	\$0	\$ 6,456,945	\$10,000,000
26	Bladen County					
27	Schools	\$ 727,077	\$ 5,497,313	\$0	\$ 3,775,610	\$10,000,000
28	Brunswick County					
29	Schools	\$ 2,200,286	\$0	\$0	\$ 7,799,714	\$10,000,000
30	Buncombe County					
31	Schools	\$ 4,168,034	\$0	\$0	\$ 4,286,925	\$ 8,454,959
32	Asheville City					
33	Schools	\$ 761,658	\$0	\$0	\$ 783,384	\$ 1,545,041
34	Burke County					
35	Schools	\$ 2,093,191	\$12,570,359	\$0	\$0	\$14,663,550
36	Cabarrus County					
37	Schools	\$ 5,823,673	\$0	\$27,614,468	\$0	\$33,438,141
38	Kannapolis City					
39	Schools	\$ 959,438	\$ 846,734	\$ 1,438,635	\$0	\$ 3,244,807
40	Caldwell County					
41	Schools	\$ 2,002,329	\$11,544,037	\$0	\$0	\$13,546,365
42	Camden County					
43	Schools	\$ 327,811	\$ 890,833	\$0	\$ 8,781,356	\$10,000,000
44	Carteret County Public					
45	Schools	\$ 1,429,101	\$0	\$0	\$ 8,570,899	\$10,000,000
46	Caswell County					
47	Schools	\$ 434,200	\$ 3,140,147	\$0	\$ 6,425,653	\$10,000,000
48	Catawba County					
49	Schools	\$ 2,797,332	\$0	\$0	\$ 4,133,815	\$ 6,931,148
50	Hickory City					

1	Schools	\$ 719,314	\$0	\$0	\$ 1,062,981	\$ 1,782,295
2	Newton Conover City					
3	Schools	\$ 519,240	\$0	\$0	\$ 767,317	\$ 1,286,557
4	Chatham County					
5	Schools	\$ 1,558,425	\$0	\$ 6,376,321	\$ 2,065,254	\$10,000,000
6	Cherokee County					
7	Schools	\$ 553,291	\$ 1,413,119	\$0	\$ 8,033,590	\$10,000,000
8	Edenton-Chowan					
9	Schools	\$ 345,278	\$ 1,040,793	\$0	\$ 8,613,930	\$10,000,000
10	Clay County					
11	Schools	\$ 223,892	\$0	\$0	\$ 9,776,108	\$10,000,000
12	Cleveland County					
13	Schools	\$ 2,527,391	\$13,516,386	\$0	\$0	\$16,043,777
14	Columbus County					
15	Schools	\$ 974,611	\$ 9,818,151	\$0	\$0	\$10,792,763
16	Whiteville City					
17	Schools	\$ 392,385	\$ 3,982,294	\$0	\$0	\$ 4,374,679
18	Craven County					
19	Schools	\$ 2,388,186	\$ 3,835,943	\$0	\$ 3,775,871	\$10,000,000
20	Cumberland County					
21	Schools	\$ 8,834,489	\$28,236,792	\$0	\$0	\$37,071,280
22	Currituck County					
23	Schools	\$ 715,256	\$0	\$ 2,584,665	\$ 6,700,079	\$10,000,000
24	Dare County					
25	Schools	\$ 907,038	\$0	\$ 2,548,090	\$ 6,544,872	\$10,000,000
26	Davidson County					
27	Schools	\$ 3,315,161	\$10,754,088	\$0	\$0	\$ 14,069,249
28	Lexington City					
29	Schools	\$ 526,297	\$ 1,724,754	\$0	\$0	\$ 2,251,051
30	Thomasville City					
31	Schools	\$ 401,030	\$ 1,278,236	\$0	\$0	\$ 1,679,266
32	Davie County					
33	Schools	\$ 1,078,001	\$ 126,655	\$0	\$ 8,795,345	\$10,000,000
34	Duplin County					
35	Schools	\$ 1,675,224	\$14,363,983	\$0	\$0	\$16,039,207
36	Durham Public					
37	Schools	\$ 5,708,640	\$0	\$0	\$ 4,291,360	\$10,000,000
38	Edgecombe County Public					
39	Schools	\$ 1,028,070	\$ 9,078,982	\$0	\$0	\$10,107,052
40	Winston-Salem/Forsyth County					
41	Schools	\$ 9,492,934	\$0	\$ 195,069	\$ 311,997	\$10,000,000
42	Franklin County					
43	Schools	\$ 1,432,453	\$ 9,214,386	\$0	\$0	\$10,646,839
44	Gaston County					
45	Schools	\$ 5,478,572	\$10,370,854	\$0	\$0	\$15,849,426
46	Gates County					
47	Schools	\$ 292,348	\$ 2,304,596	\$0	\$ 7,403,056	\$10,000,000
48	Graham County					
49	Schools	\$ 196,545	\$ 181,439	\$0	\$ 9,622,016	\$10,000,000
50	Granville County					
51	Schools	\$ 1,298,717	\$10,527,816	\$0	\$0	\$11,826,533

1	Greene County					
2	Schools	\$ 515,006	\$ 5,786,310	\$0	\$ 3,698,684	\$10,000,000
3	Guilford County					
4	Schools	\$12,599,551	\$0	\$0	\$0	\$12,599,551
5	Halifax County					
6	Schools	\$ 414,086	\$ 2,879,981	\$0	\$ 664,636	\$ 3,958,703
7	Roanoke Rapids City					
8	Schools	\$ 494,716	\$ 3,344,835	\$0	\$ 774,696	\$ 4,614,247
9	Weldon City					
10	Schools	\$ 140,087	\$ 1,047,372	\$0	\$ 239,591	\$ 1,427,049
11	Harnett County					
12	Schools	\$ 3,576,986	\$31,495,234	\$0	\$0	\$35,072,220
13	Haywood County					
14	Schools	\$ 1,255,668	\$0	\$0	\$ 8,744,332	\$10,000,000
15	Henderson County					
16	Schools	\$ 2,349,018	\$0	\$0	\$ 7,650,982	\$10,000,000
17	Hertford County					
18	Schools	\$ 480,778	\$ 3,813,581	\$0	\$ 5,705,641	\$10,000,000
19	Hoke County					
20	Schools	\$ 1,545,193	\$16,729,054	\$ 6,230,019	\$0	\$24,504,266
21	Hyde County					
22	Schools	\$ 102,331	\$0	\$ 170,685	\$ 9,726,984	\$10,000,000
23	Iredell-Statesville					
24	Schools	\$ 3,570,282	\$0	\$0	\$ 4,148,669	\$7,718,950
25	Mooresville Graded School					
26	District	\$ 1,055,064	\$0	\$0	\$ 1,225,985	\$2,281,050
27	Jackson County					
28	Schools	\$ 635,862	\$0	\$0	\$ 9,364,138	\$10,000,000
29	Johnston County					
30	Schools	\$ 6,415,074	\$39,223,050	\$31,381,739	\$0	\$77,019,864
31	Jones County					
32	Schools	\$ 180,843	\$ 564,377	\$0	\$ 9,254,780	\$10,000,000
33	Lee County					
34	Schools	\$ 1,738,739	\$ 6,962,542	\$0	\$ 1,298,719	\$10,000,000
35	Lenoir County Public					
36	Schools	\$ 1,496,321	\$ 8,803,599	\$0	\$0	\$10,299,921
37	Lincoln County					
38	Schools	\$ 2,012,385	\$ 484,727	\$0	\$7,502,888	\$10,000,000
39	Macon County					
40	Schools	\$ 778,948	\$0	\$ 158,494	\$9,062,558	\$10,000,000
41	Madison County					
42	Schools	\$ 400,325	\$ 344,508	\$0	\$ 9,255,167	\$10,000,000
43	Martin County					
44	Schools	\$ 513,771	\$ 3,603,154	\$0	\$ 5,883,076	\$10,000,000
45	McDowell County					
46	Schools	\$ 1,043,596	\$ 5,917,374	\$0	\$ 3,039,030	\$10,000,000
47	Charlotte-Mecklenburg					
48	Schools	\$26,007,162	\$0	\$35,795,177	\$0	\$61,802,340
49	Mitchell County					
50	Schools	\$ 322,518	\$ 303,978	\$0	\$ 9,373,504	\$10,000,000
51	Montgomery County					

1	Schools	\$ 672,030	\$ 2,190,091	\$0	\$ 7,137,879	\$10,000,000
2	Moore County					
3	Schools	\$ 2,251,098	\$0	\$0	\$ 7,748,902	\$10,000,000
4	Nash-Rocky Mount					
5	Schools	\$ 2,611,373	\$14,555,363	\$0	\$0	\$17,166,736
6	New Hanover County					
7	Schools	\$ 4,537,659	\$0	\$0	\$ 5,462,341	\$10,000,000
8	Northampton County					
9	Schools	\$ 267,824	\$ 2,099,454	\$0	\$ 7,632,722	\$10,000,000
10	Onslow County					
11	Schools	\$ 4,699,977	\$ 6,089,634	\$14,764,292	\$0	\$25,553,902
12	Orange County					
13	Schools	\$ 1,287,955	\$0	\$0	\$ 1,867,955	\$ 3,155,910
14	Chapel Hill-Carrboro City					
15	Schools	\$ 2,171,351	\$0	\$ 621,783	\$ 4,050,956	\$ 6,844,090
16	Pamlico County					
17	Schools	\$ 232,008	\$0	\$ 402,330	\$ 9,365,662	\$10,000,000
18	Elizabeth City-Pasquotank Public					
19	Schools	\$ 952,381	\$ 4,850,575	\$0	\$ 4,197,044	\$10,000,000
20	Pender County					
21	Schools	\$ 1,615,060	\$ 6,949,447	\$ 5,644,812	\$0	\$14,209,319
22	Perquimans County					
23	Schools	\$ 285,468	\$ 250,868	\$0	\$ 9,463,664	\$10,000,000
24	Person County					
25	Schools	\$ 768,186	\$ 1,435,534	\$0	\$ 7,796,280	\$10,000,000
26	Pitt County					
27	Schools	\$ 4,121,103	\$17,668,069	\$0	\$0	\$21,789,172
28	Polk County					
29	Schools	\$ 372,625	\$0	\$0	\$ 9,627,375	\$10,000,000
30	Randolph County					
31	Schools	\$ 2,806,507	\$17,202,566	\$0	\$0	\$20,009,073
32	Asheboro City					
33	Schools	\$ 790,240	\$ 4,804,089	\$0	\$0	\$ 5,594,329
34	Richmond County					
35	Schools	\$ 1,248,963	\$11,174,939	\$0	\$0	\$12,423,902
36	Public Schools of Robeson					
37	County	\$ 3,823,815	\$47,851,010	\$0	\$0	\$51,674,825
38	Rockingham County					
39	Schools	\$ 2,042,732	\$12,301,109	\$0	\$0	\$14,343,841
40	Rowan-Salisbury					
41	Schools	\$ 3,302,634	\$12,658,049	\$0	\$0	\$15,960,683
42	Rutherford County					
43	Schools	\$ 1,380,758	\$ 9,196,221	\$0	\$0	\$10,576,979
44	Sampson County					
45	Schools	\$ 1,413,045	\$11,872,434	\$0	\$0	\$13,285,480
46	Clinton City					
47	Schools	\$ 520,828	\$ 4,329,120	\$0	\$0	\$ 4,849,948
48	Scotland County					
49	Schools	\$ 981,316	\$ 9,986,327	\$0	\$0	\$10,967,643
50	Stanly County					
51	Schools	\$ 1,479,913	\$ 7,377,809	\$0	\$ 1,142,278	\$10,000,000

1	Stokes County					
2	Schools	\$ 1,023,483	\$ 5,673,717	\$0	\$ 3,302,800	\$10,000,000
3	Surry County					
4	Schools	\$ 1,345,119	\$ 6,700,636	\$0	\$0	\$ 8,045,755
5	Elkin City					
6	Schools	\$ 207,308	\$ 1,003,140	\$0	\$0	\$ 1,210,447
7	Mount Airy City					
8	Schools	\$ 288,290	\$ 1,401,846	\$0	\$0	\$ 1,690,136
9	Swain County					
10	Schools	\$ 341,573	\$ 435,076	\$0	\$ 9,223,351	\$10,000,000
11	Transylvania County					
12	Schools	\$ 587,519	\$0	\$0	\$ 9,412,481	\$10,000,000
13	Tyrrell County					
14	Schools	\$ 111,682	\$ 747,828	\$ 658,358	\$ 8,482,132	\$10,000,000
15	Union County Public					
16	Schools	\$ 7,269,182	\$0	\$4,925,494	\$0	\$12,194,677
17	Vance County					
18	Schools	\$ 973,023	\$ 9,963,922	\$0	\$0	\$10,936,946
19	Wake County					
20	Schools	\$28,312,249	\$0	\$81,295,042	\$0	\$109,607,291
21	Warren County					
22	Schools	\$ 333,457	\$ 665,924	\$0	\$ 9,000,619	\$10,000,000
23	Washington County					
24	Schools	\$ 227,068	\$ 1,526,792	\$0	\$ 8,246,140	\$10,000,000
25	Watauga County					
26	Schools	\$ 811,765	\$0	\$ 1,658,087	\$ 7,530,148	\$10,000,000
27	Wayne County Public					
28	Schools	\$ 3,215,124	\$20,431,119	\$0	\$0	\$23,646,243
29	Wilkes County					
30	Schools	\$ 1,595,123	\$ 7,544,916	\$0	\$ 859,961	\$10,000,000
31	Wilson County					
32	Schools	\$ 1,965,809	\$ 9,032,303	\$0	\$0	\$10,998,108
33	Yadkin County					
34	Schools	\$ 911,449	\$ 5,605,490	\$0	\$3,483,061	\$10,000,000
35	Yancey County					
36	Schools	\$ 373,507	\$ 1,676	\$0	\$9,624,817	\$10,000,000
37	<b>Total</b>	<b>\$250,500,000</b>	<b>\$600,402,894</b>	<b>\$225,000,000</b>	<b>\$424,097,106</b>	<b>\$1,500,000,000</b>

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

**The University of North Carolina**

48	Various Statewide	New Construction, Repairs, Renovations	\$200,000,000
50	<b>Total for The University of North Carolina</b>		<b>\$200,000,000</b>



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

**NC Community Colleges**

Various Statewide	Technology Upgrades, New Construction, Repairs, Renovations	\$200,000,000
<b>Total for NC Community Colleges</b>		<b>\$200,000,000</b>

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

- a. 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 useful life of at least 10 years or must extend the life of the facility by at least 10 years once renovated or rehabilitated.
  - 2. In the case of a local school administrative unit located entirely in one county, the unit's total distribution amount shall be allocated to that county. In the case of a local school administrative unit located in more than one county, the unit's distribution amount shall be allocated among the counties in which the unit is located in proportion to average daily membership of the unit in each county. A unit's distribution amount allocated to a county may be used only with respect to public school facilities of that unit. If two or more local school administrative units are consolidated into one unit, the distribution amounts provided in subdivision (1) of this subsection for the units shall be considered the distribution amount for the merged unit.
  - 3. Bond proceeds for a county for any designation require no local match if any portion of the proceeds results from low-wealth county or adjustment factor designation allocations. Any other county receiving bond proceeds allocated 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 local school administrative unit located in a county that is 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 local school administrative unit located in a county that is a development tier two area, as defined in

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

- 1 outlay projects of that unit. Bond proceeds reallocated to a  
2 county under this sub-subdivision must be matched at the same  
3 rate as bond proceeds allocated to the county under this  
4 sub-sub-subdivision.
- 5 4. In determining between projects for which bond proceeds are  
6 allocated, the State Board of Education shall give  
7 consideration to those projects that primarily involve  
8 materially improving the energy efficiency of the school  
9 facility.
- 10 b. With respect to proceeds allocated in subdivision (1a) of this  
11 subsection:
- 12 1. The proceeds shall be used for new construction or  
13 rehabilitation of existing facilities and repairs and renovations.  
14 Any items purchased with such proceeds and installed or  
15 replaced as part of a renovation or rehabilitation must have a  
16 useful life of at least 10 years or must extend the life of the  
17 facility by at least 10 years once renovated or rehabilitated. In  
18 order to receive the proceeds under this sub-subdivision for  
19 projects for new construction, the constituent institution  
20 receiving the proceeds shall provide matching funds from other  
21 non-State funds. Constituent institutions are not required to  
22 match bond proceeds allocated in this section for rehabilitation  
23 of existing facilities and repairs and renovations.
- 24 2. In determining the allocation of proceeds, the Board of  
25 Governors shall consider the following factors: (i) size of the  
26 entity, with a focus on smaller campuses; (ii) population  
27 historically served, with a focus on historically  
28 minority-serving institutions; (iii) development tier area  
29 designations, with a focus on lower development tier areas; (iv)  
30 constituent institutions operating a school serving any grade,  
31 kindergarten through 12, with a focus on such institutions; and  
32 (v) length of outstanding repairs and renovations requests, with  
33 a focus on longer outstanding requests.
- 34 c. With respect to proceeds allocated in subdivision (1b) of this  
35 subsection:
- 36 1. The proceeds shall be used for upgrades to the enterprise  
37 resource planning information technology ("the ERP system"),  
38 new construction or rehabilitation of existing facilities, and  
39 repairs and renovations.
- 40 2. Any items purchased with such proceeds for new construction  
41 or rehabilitation of existing facilities and repairs and  
42 renovations and installed or replaced as part of a renovation or  
43 rehabilitation must have a useful life of at least 10 years or  
44 must extend the life of the facility by at least 10 years once  
45 renovated or rehabilitated. In order to receive the proceeds  
46 under this sub-subdivision for projects for new construction,  
47 the community college receiving the proceeds shall provide  
48 local matching funds from county funds, other non-State funds,  
49 or a combination of these sources for such proceeds. The  
50 amount of matching funds shall be (i) one dollar (\$1.00) of  
51 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. Community colleges are not required to match bond proceeds allocated in this section for rehabilitation of existing facilities and repairs and renovations. 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.

3. In determining between projects for which bond proceeds are allocated, the Community Colleges System Office shall give first priority to the ERP system project and shall prioritize allocation of the remainder of funds among projects for new construction and repairs and renovations by ranking the projects for the various community colleges according to three components, as follows: (i) the development factor ranking by the Secretary of Commerce, as provided in G.S. 143B-437.08, for identification of the development tier of the county in which the project is located, which shall be single weighted, (ii) the community college's repairs and renovations needs, which shall be double weighted, and (iii) the community college's additional square footage needs, which shall be single weighted.

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

- (1) Education bonds. – The proceeds of education 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 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 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 Bonds Fund may be placed in the Education 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 any limitations imposed by this section.

Monies in the Education 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

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

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

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

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

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

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

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

49 " [ ] FOR [ ] AGAINST

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

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

9 If a majority of those voting on a bond question in the election vote in favor of the  
10 issuance of the bonds described in the question, those bonds may be issued as provided in this  
11 section. If a majority of those voting on a bond question in the election do not vote in favor of  
12 the issuance of the bonds described in the question, those bonds shall not be issued.

13 The results of the election shall be canvassed and declared as provided by law for  
14 elections for State officers; the results of the election shall be certified by the State Board to the  
15 Secretary of State in the manner and at the time provided by the general election laws of the  
16 State.

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

1 bonds, the expenditures to date from the bonds and other sources, and the percentage of each  
2 project completed.

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

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

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

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

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

24 **SECTION 4.** Notwithstanding the period of time provided in G.S. 163A-1045(a) for  
25 which transfers are effective, transfers of voters from a given precinct, for the purpose of voting,  
26 to an adjacent precinct for the election held as required in Section 1(g) of this act shall be for that  
27 election only and shall not apply to any subsequent election.

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

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