

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017**

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SENATE BILL 558

Short Title: School Road Improvement Grant Program. (Public)

Sponsors: Senator Meredith (Primary Sponsor).

Referred to: Rules and Operations of the Senate

April 3, 2017

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE SCHOOL ROAD IMPROVEMENT GRANT PROGRAM.

The General Assembly of North Carolina enacts:

SECTION 1. Definition. – For purposes of this act, the term "Current Operations Appropriations Act" is as defined in G.S. 143C-1-1.

SECTION 2. Elimination of General Transfers. – Beginning in the 2017-2018 fiscal year, transfers from the Highway Fund to the following accounts are hereby eliminated and the accounts shall be closed:

- (1) Department of Agriculture – Gasoline Inspection Fee (Fund Code: 84210-0862).
- (2) State Ethics Commission (Fund Code: 84210-1260).
- (3) Department of Revenue – Gasoline Tax Collections (Fund Code: 84210-0864).
- (4) Department of Revenue – International Registration Plan (Fund Code: 84210-0852).
- (5) Department of Health and Human Services – Chemical Testing (Fund Code: 84210-0865).
- (6) Office of the State Controller – Best Shared Services (Fund Code: 84210-0893).
- (7) Motor Carrier Safety (Fund Code: 84210-7834).

SECTION 3. Reduce Allocation to the Reserve for General Maintenance. – For the 2017-2018 fiscal year only, the funds allocated from the Highway Fund to the Reserve for General Maintenance (Fund Code: 84210-0934) shall be reduced by the sum of eleven million one hundred four thousand two hundred seventy dollars (\$11,104,270).

SECTION 4. Creation of Account; Funding. – There is established within the Highway Fund a nonreverting School Road Construction Account. There is appropriated from the Highway Fund to the account established under this section the sum of twenty-five million dollars (\$25,000,000) in nonrecurring funds for the 2017-2018 fiscal year. Funds in the account established under this section shall be used in accordance with Section 5 of this act.

SECTION 5.(a) School Road Improvement Grant Program; Purpose. – The Department of Public Instruction (DPI) shall use the funds appropriated to the School Road Construction Account under Section 4 of this act to establish the School Road Improvement Grant Program (Program). The purpose of the Program shall be to award grant funds to local boards of education and charter schools to be used only to make necessary improvements to State-maintained roads due to new public school construction or the expansion of existing



1 public school facilities. Grant funds awarded under this Program shall not be used to improve
2 public school parking lots or for any other improvement to school property.

3 **SECTION 5.(b)** Program Eligibility; Term of Grants. – Local boards of education
4 and charter schools that (i) have been notified by the North Carolina Department of
5 Transportation (DOT) of a necessary improvement or (ii) are otherwise required under State
6 laws or agency rules to perform a necessary improvement to a State-maintained road connected
7 to a public school due to new public school construction or expansion of an existing public
8 school facility shall be eligible to apply for a one-year grant of up to five hundred thousand
9 dollars (\$500,000) under the Program. The grant may be spent over a five-year period from the
10 initial award. Local boards of education and charter schools shall return to the State all grant
11 funds not spent or encumbered at the end of the five-year period set forth in this subsection and
12 the funds shall be credited to the Highway Fund and remain unexpended and unencumbered
13 until appropriated by the General Assembly.

14 **SECTION 5.(c)** Matching Funds. – In order to be eligible to receive a grant under
15 this Program, a local board of education or a charter school shall provide matching non-State
16 funds, including county funds or a combination of other non-State sources, for the necessary
17 improvement to a State-maintained road. The amount of matching funds required by recipients
18 selected under the Program shall be as follows:

- 19 (1) For an eligible road improvement project for a public school located in a
20 development tier one area, as defined in G.S. 143B-437.08, the grant
21 recipient shall provide an amount in non-State matching funds equal to
22 twenty-five percent (25%) of the total grant funds awarded.
- 23 (2) For an eligible road improvement project for a public school located in a
24 development tier two area, as defined in G.S. 143B-437.08, the grant
25 recipient shall provide an amount in non-State matching funds equal to fifty
26 percent (50%) of the total grant funds awarded.
- 27 (3) For an eligible road improvement project for a public school located in a
28 development tier three area, as defined in G.S. 143B-437.08, the grant
29 recipient shall provide an amount in non-State matching funds equal to
30 seventy-five percent (75%) of the total grant funds awarded.

31 **SECTION 5.(d)** Applications. – By September 15, 2017, DPI, in consultation with
32 DOT, shall establish guidelines and criteria for local boards of education and charter schools to
33 apply for a grant under the Program. DPI shall accept applications for grants from local boards
34 of education and charter schools through November 30, 2017. In its application, a local board
35 of education or a charter school shall include a detailed description of the eligible
36 State-maintained road improvement project, including (i) whether the necessary improvement
37 is related to new public school construction or an expansion of existing public school facilities,
38 (ii) any significant safety issues addressed by the project, (iii) the number of students impacted
39 by the project, and (iv) the non-State sources of matching funds that will be provided to fund
40 the project. By January 15, 2017, DOT shall provide DPI with any supporting documentation
41 or engineering estimates related to an application by a local board of education or charter
42 school for its consideration in the selection process.

43 **SECTION 5.(e)** Selection of Recipients; Priority. – By February 1, 2018, DPI shall
44 select the recipients to receive one-year grants under the Program. DPI shall give priority to
45 applicants in the following order and, in selecting applicants within a priority category, shall
46 consider the overall impact of the eligible State-maintained road improvement project on the
47 public school and the community, including whether the project is related to improving safety
48 conditions and addressing traffic problems:

- 49 (1) First priority for grant funds shall be awarded to applicants for eligible road
50 improvement projects related to new public school construction.

1 (2) After funds are awarded to applicants under subdivision (1) of this
2 subsection, remaining funds shall be awarded to applicants for eligible road
3 improvement projects related to the expansion of existing public school
4 facilities.

5 **SECTION 5.(f) Reporting.** – DPI, in conjunction with DOT, shall provide an
6 initial report on the Program, including Program guidelines, selection criteria, grant recipients,
7 and implementation of State-maintained road improvement projects, to the Joint Legislative
8 Education Oversight Committee and the Joint Legislative Transportation Oversight Committee
9 by February 15, 2018. DPI, in conjunction with DOT, shall provide biannual reports thereafter
10 until the completion of the last project funded by a grant under the Program to the offices of the
11 President Pro Tempore of the Senate and the Speaker of the House of Representatives, the
12 Fiscal Research Division, the Joint Legislative Education Oversight Committee, and the Joint
13 Legislative Transportation Oversight Committee.

14 **SECTION 6. Freeze Funds.** – If a Current Operations Appropriations Act for the
15 2017-2018 fiscal year is not enacted on or before July 1, 2017, funds subject to the eliminations
16 and reductions required in Sections 2 and 3 of this act shall not be expended.

17 **SECTION 7. Effective Date.** – This act is effective when it becomes law. Sections
18 2 through 5 of this act become effective only if funds are appropriated in a Current Operations
19 Appropriations Act for the 2017-2018 fiscal year to implement the provisions of this act.
20 Section 6 of this act expires upon the enactment of a Current Operations Appropriations Act for
21 the 2017-2018 fiscal year.