

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

H.B. 381
Mar 19, 2019
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30171-MQa-48

Short Title: School Construction & Broadband Investm't Act. (Public)

Sponsors: Representatives Arp, Saine, and Conrad (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR THE CAPITAL NEEDS OF PUBLIC SCHOOLS,
3 COMMUNITY COLLEGES, UNIVERSITIES, AND AGENCIES OF THE STATE AND
4 TO PROVIDE CONTINUING FUNDING FOR BROADBAND INFRASTRUCTURE
5 EXPANSION.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.(a)** Short Title. – This act shall be known as the "2019 School
8 Construction and Rural Broadband Investment Act."

9 **SECTION 1.(b)** Purpose. – It is the intent of the General Assembly by this act to
10 appropriate funds to address the capital needs of the public schools and community colleges by
11 pledging over two billion one hundred million dollars (\$2,100,000,000) available in the State
12 Capital and Infrastructure Fund to counties and three hundred million dollars (\$300,000,000) to
13 the community colleges in this State over the next 10 years, and by establishing an ongoing
14 appropriation of fifteen million dollars (\$15,000,000) annually to bolster broadband
15 infrastructure expansion projects in the Growing Rural Economies with Access to Technology
16 program, while maintaining anticipated appropriations of four billion dollars (\$4,000,000,000)
17 to assist State agencies and The University of North Carolina with their ongoing capital needs.

18 **SECTION 1.(c)** Funds Appropriated for State Agencies and The University of North
19 Carolina. – Notwithstanding G.S. 143C-5-2, subject to the enactment of future allocations by
20 legislative act on the use of appropriated funds, there is hereby appropriated from the State
21 Capital and Infrastructure Fund the following sums for the following fiscal years for capital
22 projects and repairs and renovations projects for State agencies and The University of North
23 Carolina:

24 2019-2020	\$185,000,000
25 2020-2021	\$185,000,000
26 2021-2022	\$200,000,000
27 2022-2023	\$221,000,000
28 2023-2024	\$225,867,596
29 2024-2025	\$425,000,000
30 2025-2026	\$457,000,000
31 2026-2027	\$575,000,000
32 2027-2028	\$675,000,000
33 2028-2029	\$775,000,000

34 **SECTION 1.(d)** Use of Appropriated Funds for Counties. – Subject to the provisions
35 of subsections (e) and (f) of this section, two billion one hundred sixty-six million nine hundred
36 fifty-five thousand one hundred twenty-eight dollars (\$2,166,955,128) shall be used for the



1 purpose of issuing allotted proceeds to local education agencies for new construction or
 2 rehabilitation of existing facilities and repairs and renovations in accordance with the following:

<u>LEA</u>	<u>Proceeds Allotment</u>
3	
4	
5	Alamance-Burlington \$29,296,678
6	Alexander County \$15,518,364
7	Alleghany County \$10,807,233
8	Anson County \$14,311,716
9	Ashe County \$11,772,521
10	Asheboro City \$ 7,247,648
11	Asheville City \$ 4,198,837
12	Avery County \$11,169,810
13	Beaufort County \$14,955,704
14	Bertie County \$12,823,678
15	Bladen County \$15,211,480
16	Brunswick County \$17,588,614
17	Buncombe County \$22,742,537
18	Burke County \$23,177,832
19	Cabarrus County \$34,106,904
20	Caldwell County \$22,366,703
21	Camden County \$11,524,013
22	Carteret County \$14,938,829
23	Caswell County \$13,048,098
24	Catawba County \$16,533,847
25	Chapel Hill-Carrboro \$13,706,552
26	Chatham County \$15,350,741
27	Cherokee County \$12,599,944
28	Clay County \$10,765,626
29	Cleveland County \$25,121,408
30	Clinton City \$ 6,526,404
31	Columbus County \$15,169,439
32	Craven County \$20,037,747
33	Cumberland County \$53,241,598
34	Currituck County \$12,442,397
35	Dare County \$13,161,013
36	Davidson County \$24,276,209
37	Davie County \$13,724,875
38	Duplin County \$22,586,468
39	Durham County \$29,660,055
40	Edenton/Chowan \$11,666,873
41	Edgecombe County \$17,844,837
42	Elkin City \$ 2,276,785
43	Forsyth County \$42,379,973
44	Franklin County \$19,265,822
45	Gaston County \$33,848,607
46	Gates County \$12,090,212
47	Graham County \$10,768,960
48	Granville County \$19,483,994
49	Greene County \$14,578,411
50	Guilford County \$52,947,610
51	Halifax County \$ 6,802,232

1	Harnett County	\$37,227,558
2	Haywood County	\$14,323,043
3	Henderson County	\$18,037,972
4	Hertford County	\$13,488,210
5	Hickory City	\$ 4,253,614
6	Hoke County	\$24,994,351
7	Hyde County	\$10,356,092
8	Iredell-Statesville	\$19,874,997
9	Jackson County	\$12,229,605
10	Johnston County	\$78,560,261
11	Jones County	\$10,912,395
12	Kannapolis City	\$ 5,049,681
13	Lee County	\$19,230,068
14	Lenoir County	\$19,320,705
15	Lexington City	\$ 3,919,554
16	Lincoln County	\$17,029,296
17	Macon County	\$12,645,678
18	Madison County	\$11,524,348
19	Martin County	\$13,565,556
20	McDowell County	\$16,441,333
21	Mecklenburg County	\$88,635,779
22	Mitchell County	\$11,249,428
23	Montgomery County	\$13,405,659
24	Moore County	\$17,586,831
25	Mooresville City	\$ 5,837,181
26	Mount Airy City	\$ 3,184,088
27	Nash-Rocky Mount	\$25,896,373
28	New Hanover County	\$25,666,357
29	Newton-Conover	\$ 3,113,073
30	Northampton County	\$11,980,471
31	Onslow County	\$29,139,404
32	Orange County	\$ 8,068,990
33	Pamlico County	\$10,740,662
34	Pasquotank County	\$15,609,708
35	Pender County	\$18,863,820
36	Perquimans County	\$11,079,658
37	Person County	\$13,326,874
38	Pitt County	\$32,566,609
39	Polk County	\$11,250,053
40	Randolph County	\$25,963,217
41	Richmond County	\$19,620,899
42	Roanoke Rapids City	\$ 7,901,555
43	Robeson County	\$52,708,322
44	Rockingham County	\$23,018,490
45	Rowan-Salisbury	\$27,418,226
46	Rutherford County	\$19,248,241
47	Sampson County	\$17,908,481
48	Scotland County	\$18,173,631
49	Stanly County	\$18,542,515
50	Stokes County	\$16,223,466
51	Surry County	\$15,242,117

1	Swain County	\$11,407,659
2	Thomasville City	\$ 2,903,813
3	Transylvania County	\$12,047,723
4	Tyrrell County	\$10,715,191
5	Union County	\$34,614,879
6	Vance County	\$18,274,094
7	Wake County	\$96,319,476
8	Warren County	\$11,527,286
9	Washington County	\$11,608,637
10	Watauga County	\$12,785,359
11	Wayne County	\$30,840,744
12	Weldon City	\$ 2,468,315
13	Whiteville City	\$ 6,148,507
14	Wilkes County	\$19,194,623
15	Wilson County	\$21,173,733
16	Yadkin County	\$15,796,247
17	Yancey County	\$11,308,509

18 **SECTION 1.(e)** K-12 Building Fund Created; Administration. – There is created
19 within the Office of State Budget and Management the K-12 Building Fund as a capital project
20 fund. Proceeds disbursed from the Fund shall be used for new construction or rehabilitation of
21 existing facilities, repairs and renovations, building of technology infrastructure, and the
22 purchase of measures to ensure building security. Projects for facilities for centralized
23 administration, trailers, relocatable classrooms, or mobile classrooms are not eligible for funding.
24 Any items purchased with such proceeds and installed or replaced as part of a renovation or
25 rehabilitation must have a useful life of at least 10 years or must extend the life of the facility by
26 at least 10 years once renovated or rehabilitated. In order to receive the proceeds for projects for
27 new construction, the county receiving the proceeds shall provide local matching funds from
28 county funds, other non-State funds, or a combination of these sources for such proceeds. The
29 amount of matching funds shall be (i) one dollar (\$1.00) of local matching funds for every three
30 dollars (\$3.00) of such proceeds for a county located in a development tier one area, as defined
31 in G.S. 143B-437.08, (ii) one dollar (\$1.00) of local matching funds for every two dollars (\$2.00)
32 of such proceeds for a county located in a development tier two area, as defined in
33 G.S. 143B-437.08, and (iii) one dollar (\$1.00) of local matching funds for every one dollar
34 (\$1.00) of such proceeds for a county located in a development tier three area, as defined in
35 G.S. 143B-437.08. No matching funds shall be required for proceeds intended for rehabilitation
36 of existing facilities and repairs and renovations. A county shall draw upon the proceeds allocated
37 to it pursuant to subsection (d) of this section over a two-year period, and no more than half of
38 the allocated proceeds may be drawn by a county in the first year of the two-year period. In the
39 case of a local school administrative unit located entirely in one county, the unit's total
40 distribution amount shall be allocated to that county. In the case of a local school administrative
41 unit located in more than one county, the unit's distribution amount shall be allocated among the
42 counties in which the unit is located in proportion to average daily membership of the unit in
43 each county. A unit's distribution amount allocated to a county may be used only with respect to
44 public school facilities of that unit. If two or more local school administrative units are
45 consolidated into one unit, the distribution amounts provided in subsection (d) of this section for
46 the units shall be considered the distribution amount for the merged unit.

47 **SECTION 1.(f)** The Department of Public Instruction shall assist the Office of State
48 Budget and Management in developing a priority list of projects and capital needs to enable the
49 Office of State Budget and Management in administering the proceeds from the K-12 Building
50 Fund in a manner that will not exceed the appropriations to the Fund provided in subsection (g)
51 of this section.

1 **SECTION 1.(g)** Ten-Year Appropriations for K-12. – Notwithstanding
 2 G.S. 143C-5-2, there is appropriated from the State Capital and Infrastructure Fund to the K-12
 3 Building Fund the following sums for the following fiscal years:

4	2019-2020	\$262,144,812
5	2020-2021	\$109,897,923
6	2021-2022	\$148,085,245
7	2022-2023	\$171,805,749
8	2023-2024	\$243,094,397
9	2024-2025	\$190,741,014
10	2025-2026	\$248,785,212
11	2026-2027	\$271,693,748
12	2027-2028	\$271,517,349
13	2028-2029	\$249,189,678

14 **SECTION 1.(h)** Use of Appropriated Funds for Community Colleges. – The
 15 Community Colleges System Office shall administer funds appropriated from the State Capital
 16 and Infrastructure Fund for capital projects at community colleges, major equipment acquisitions,
 17 building of the enterprise resource planning information technology, and other technology
 18 infrastructure. Projects for facilities for centralized administration, trailers, relocatable
 19 classrooms, or mobile classrooms are not eligible for funding. Any items purchased with such
 20 proceeds for new construction or rehabilitation of existing facilities and repairs and renovations
 21 and installed or replaced as part of a renovation or rehabilitation must have a useful life of at least
 22 10 years or must extend the life of the facility by at least 10 years once renovated or rehabilitated.
 23 In order to receive proceeds for projects for new construction, the community college receiving
 24 an allocation shall provide local matching funds from county funds, other non-State funds, or a
 25 combination of these sources for such proceeds. The amount of matching funds shall be (i) one
 26 dollar (\$1.00) of local matching funds for every three dollars (\$3.00) of such allocation for a
 27 community college with a main campus located in a development tier one area, as defined in
 28 G.S. 143B-437.08, (ii) one dollar (\$1.00) of local matching funds for every two dollars (\$2.00)
 29 of such allocation for a community college with a main campus located in a development tier
 30 two area, as defined in G.S. 143B-437.08, and (iii) one dollar (\$1.00) of local matching funds for
 31 every one dollar (\$1.00) of such allocation for a community college with a main campus located
 32 in a development tier three area, as defined in G.S. 143B-437.08. Community colleges are not
 33 required to match allocations in this section for rehabilitation of existing facilities, repairs and
 34 renovations, or major equipment acquisitions. The provisions of G.S. 115D-31, or any other
 35 provision of law permitting prior expenditures to be used for match purposes, do not apply for
 36 purposes of meeting the matching funds requirements of this subsection.

37 **SECTION 1.(i)** Appropriation of Funds for Community Colleges. – Notwithstanding
 38 G.S. 143C-5-2, there is appropriated from the State Capital and Infrastructure Fund to the
 39 Community Colleges System Office the following sums in the following fiscal years to be used
 40 for the purposes provided in subsection (h) of this section:

41	2019-2020	\$10,000,000
42	2020-2021	\$10,000,000
43	2021-2022	\$30,000,000
44	2022-2023	\$40,000,000
45	2023-2024	\$40,000,000
46	2024-2025	\$60,000,000
47	2025-2026	\$90,000,000
48	2026-2027	\$20,000,000

49 **SECTION 1.(j)** G.S. 143B-1373 is amended by adding a new subsection to read:
 50 "(p) There is hereby appropriated each fiscal year the sum of fifteen million dollars
 51 (\$15,000,000) from the State Capital and Infrastructure Fund to the Growing Rural Economies

1 with Access to Technology Fund established pursuant to this section to be used to administer the
2 GREAT program."

3 **SECTION 1.(k)** G.S. 143C-4-3.1 reads as rewritten:

4 "**§ 143C-4-3.1. State Capital and Infrastructure Fund.**

5 ...

6 (e) Use of Funds. – Monies in the Fund shall first be used to meet the debt service
7 obligations of the State. In addition to meeting the State's debt service obligations, monies in the
8 Fund may be used for the following purposes:

9 (1) New State and The University of North Carolina capital projects governed
10 pursuant to Article 8 of Chapter 143C of the General Statutes.

11 (2) Repair and renovation of existing capital assets, as provided in
12 G.S. 143C-8-13.

13 (3) Capital projects and repair and renovation of existing capital assets as
14 provided pursuant to the 2019 School Construction and Rural Broadband
15 Investment Act.

16 (4) Broadband infrastructure projects funded through appropriations to the
17 Growing Rural Economies with Access to Technology Fund established in
18 G.S. 143B-1373(b).

19 (f) Funds Available Only Upon Appropriation. – Funds reserved to the Fund shall be
20 available for expenditure only upon an act of appropriation by the General Assembly."

21 **SECTION 2.** Section 1(j) of this act shall expire on June 30, 2029. This act becomes
22 effective July 1, 2019.