

*Guilford County Board of Education  
LEGISLATIVE COMMITTEE MEETING*

*March 14, 2018, 2:30 p.m.*

*Swann Room, GCS Administrative Offices*



Committee Members: Linda Welborn, Chairperson      Nora Carr, Staff Liaison  
 Darlene Garrett  
 T. Dianne Bellamy Small  
 Pat Tillman

<b>AGENDA</b>	
Welcome and Introductions	<i>Discussion Leader: Linda Welborn</i>
Review of Minutes (February 19, 2018)	<i>Discussion Leader: Linda Welborn</i>
2018 Legislative Delegation Meeting Debrief and Next Steps	<i>Discussion Leaders: Linda Welborn and Nora Carr</i>
Business – High Point and Greensboro Chambers of Commerce	<i>Discussion Leaders: Sharon L. Contreras, Ph.D.</i>
State School Bond Proposal	<i>Discussion Leaders: Linda Welborn and Scott McCully</i>
School Safety Legislative Request and Next Steps	<i>Discussion Leader: Scott McCully</i>
Council of the Great City Schools Legislative Conference and Advocacy Day	<i>Discussion Leaders: Linda Welborn and Nora Carr</i>
Other Business	<i>Discussion Leader: Linda Welborn</i>
Next Meeting: April 25, 2:30 p.m.	
Adjournment	

*Guilford County Board of Education  
LEGISLATIVE COMMITTEE MEETING  
February 19, 2018, 12:00 p.m.  
Swann Room, GCS Administrative Offices*

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**Present:** Linda Welborn, T. Dianne Bellamy Small, Darlene Garrett  
**Staff:** Nora Carr, Kim Hipp

The Committee approved the minutes from the January 24, 2018 meeting, then completed preparation and finalized details for the February 23 Guilford County Legislative Delegation meeting.

The next Committee meeting is April 25, 2018.

Submitted by:  
Nora Carr, Chief of Staff

DRAFT

## **2018 LEGISLATIVE AGENDA MOVING THE NEEDLE ON ECONOMIC DEVELOPMENT**

3-7-18 DRAFT: **With final notes**

To get the NC economy up to its full potential, the Triad's economy must regain *its* full potential. We are well on our way, growing strong clusters in aviation, life sciences, design, furniture, advanced manufacturing, transportation & logistics, and specialized business services. The following strategic investments here will help secure North Carolina's global prominence in 21st century.

### **1. EASTERN TRIAD WORKFORCE DEVELOPMENT INITIATIVE**

Approximately 51% of new jobs created in the next 10 years will require advanced skills training, *but not a bachelor's degree*. And even the college-educated need advanced skills training for the industries of today and tomorrow. McKinsey & Company estimates that 1/3<sup>rd</sup> of the US workforce will have to learn new skills and occupations in the next 12 years. So in the Triad we're working on a comprehensive set of strategies to succeed in this challenging environment.

States that win, keep, and grow transformational companies offer extraordinary Workforce Development programming. So we **thank you for \$3.2M in the 2018/19 budget for the first year of our Eastern Triad Workforce Development Initiative, a 6-10 year public-private partnership pilot program. We ask that you protect this 1st-year grant during the 2018 short session, or increase it to better meet the \$7.6M in identified opportunities.** The grant is a critical addition to the current local and state Workforce Development budgets of \$\_\_\_\_\_M, and Private Company spending of over \$31-42,000 per apprentice, per year.

Thanks in part to this grant, **for the first time ever, 17 workforce development agencies, small business organizations, educational institutions in Guilford, Randolph, Rockingham and Alamance Counties are formally collaborating - getting in the same boat, rowing in the same direction - on youth and adult workforce development programming to create a pipeline of capable workers our state needs.** (This collaboration alone will pay dividends for years to come.)

Key elements of Phase 1 will address advanced manufacturing and small business. They will be scalable and replicable across the state, and include:

- **Changing Minds and Shifting Paradigms: comprehensive, professional communications** to students, parents, educators and businesses about the extraordinary opportunities in secure, high-skill careers.
- **Workforce Central: Efficient shared administration of the Initiative,** to manage collaboration, communication and scaling of programming for the participants.
- **Learning, Earning, Growing: Recruiting and connecting current and future employees with jobs with nearly 200 employers.** With a comprehensive "hands on" exposure program, we'll begin exponential

growth of proven programming in schools and at worksites. It will include such things as a mobile "OJT" labs that can visit schools; transportation for field trips to employers; funding for a 300% increase in youth pre-apprenticeships in the first year alone; and ramped-up assistance for retraining adult workers,

**Did you know that even some of our teenage apprentices are the primary breadwinners in their families?**

Investments in effective Workforce Development programming will yield significant ROI beyond boosting the economy. They will help individuals and families rise out of poverty, stabilize and become self-sufficient. This, in turn, reduces demand for social services and public safety spending.

## **2. ENTREPRENEURSHIP – LAUNCHING HOME-GROWN, HIGH-GROWTH JOB GENERATORS**

The biggest hurdle to growing NC's next generation of global jobs-leaders like EcoLab, Qorvo (RF Micro Devices) and Newbreed Logistics, is a lack of early-stage capital for innovative entrepreneurs who want to start great new businesses here. Access to such capital was key to the creation of jobs-powerhouses like Research Triangle Park, Silicon Valley, Austin TX and even NYC.

Greensboro Chamber's entrepreneurial support arm, Launch Greensboro, has created the solution: First Launch Capital Fund. This fund will follow a rigorous "multi-checks & balances" process to fund qualified, promising start-ups anywhere in the 12 Piedmont Triad counties. First Launch Capital Fund is unique because it will not only afford ROI to certain fund investors, it will also be an "evergreen" fund – perpetually self-sustaining. We are currently raising \$2.5M from private individuals, local companies and area foundations, and expect to begin awarding equity-like investments and loans in 2018.

But we have at least \$3.75M in qualified, pent-up demand for such capital from promising companies in the Triad. So, because there is extraordinary potential for State revenues from these First Launch Capital Fund investments, we are seeking a "50% matching funds" grant from the state of \$1.25M over 5 years, to grow this evergreen fund to its maximum investment capability. MORE?

JumpStart Ohio, a public/private partnership charged with economic transformation in NE Ohio since 2003, has the Ohio Third Frontier Fund which provides matching grants ranging from \$1 state funds to \$0.50 or \$1 private funds for entrepreneurial support.

In 2011, Tennessee Governor Bill Haslam created the \$29M INCITE Fund as a key initiative of Launch Tennessee – a public-private partnership that supports entrepreneurs from ideation to exit, with a goal of making Tennessee the most startup-friendly state in the country.

## **3. (OR 4?) INTERMODAL RAIL FACILITY MODERNIZATION (awaiting NCDOT input on a concrete \$ request)**

Economic Development needs may demand acceleration and funding solutions for the modernization and expansion of the Intermodal Rail Facility in Greensboro. The work is critical to its long-term success in serving our advanced manufacturing and logistics economy. Stakeholders NCDOT Rail Division, NC Railroad and Norfolk Southern Railroad are working on plans that would include expanded facilities, enhancements to delivery system computerization and security, and other miscellaneous upgrades.

## **4. (OR 3?) READY FUNDS FOR MEGASITE INFRASTRUCTURE (2017 language, may be changed based on the final requests per highlighting)**

Thank you for your visionary leadership in responding to the needs of the Toyota-Mazda recruitment efforts. The world now knows that NC means business, and has one of the best megasites available on the globe. It is only a matter of time: the Greensboro-Randolph advanced manufacturing megasite and the Piedmont Triad International Airport aviation megasite are being seriously considered by transformational prospects. You can further strengthen the state's global competitive standing by adding certainty to the recruitment process: activate and fund the Department of Commerce's Site Infrastructure Development Fund, and create a "rapid response" protocol for addressing specific projects. Getting this fund ready helps eliminate "site readiness" risk as a negative for our State. It has been used successfully in the past to clear and grade sites and acquire land for large projects, but it is not currently funded. And/Or NCDOT \$ for interchange design?

## **WE ALSO SUPPORT:**

### **JDIG (NCEDA may adjust)**

It is time to enhance the competitiveness power of the State's key economic development tool by eliminating the cap and sunset on the Job Development Investment Grant (JDIG). Some years we get so close to the cap that our economic developers actually have to ask prospects to slow down their plans till the next fiscal year. They also must waste precious face-time with prospects to calm their concerns over the sunset provision that other states don't have. These are not successful strategies in today's economic development arena. Because the JDIG grants are self-funding, similar to an "enterprise fund" (if the planned state tax revenues don't materialize, the grants aren't spent), these negative red flags are unnecessary detractions from our otherwise strong competitive standing.

### **TRIAD PRIORITY FOR OPPORTUNITY ZONE DESIGNATION (not likely to be included in May edition)**

The federal tax reform bill passed in February includes a provision that allows Governors to designate up to 25% of certain low-performing census tracts as "Opportunity Zones". Capital investment in those zones are then rewarded with tax incentives. Over 40% of NC's 1000 eligible census tracts are in the Triad, including the Greensboro/Randolph Megasite, and nearly 20% of them are in Guilford County. It is important that our area receive priority as our Governor chooses which census tracts to designate as NC's Opportunity Zones.

### **AVIATION**

**Thank you for your strong commitment to Piedmont Triad International Airport, and the creation of its new 1000-acre aerospace megasite. We ask for continued support of the important economic development efforts underway there, including:**

- Maintaining the NCDOT Aviation Grants to Commercial Service Airports in the current biennial budget
- Converting those Aviation Grants to recurring funding for all commercial service airports
- Additional funding for specific economic development projects at PTIA as they arise

PTIA's superior logistics characteristics make it critical to growing the Aviation and Advanced Manufacturing sectors of North Carolina's economy. The payroll taxes on the 5000 jobs at PTIA alone exceed the entire investment the state makes in its airports, making PTIA an excellent place to invest state dollars for extraordinary ROI.

### **HIGH POINT MARKET**

Thank you for making these funds recurring in the biennial budget: \$1,200,000 for transportation through NCDOT and \$1,755,472 for marketing through NCDOC. **Please continue your support of the High Point Market and its \$5.38 billion economic impact in the state of North Carolina.** The State's participation in our public/private partnership has been critical to maintaining the Market's global dominance in the face of domestic and international threats to its success.

### **HIGH POINT 365 Design Entrepreneurism Center**

**Thank you for your generous provision of a \$1.5M matching state grant for this project in 2017. Business High Point-Chamber of Commerce has been able to leverage that grant to raise another \$6.5M for this remarkable public-private partnership that is creating a facility like no other in the world. Called High Point 365, the 100,000 square foot center will capitalize on our status as "Furniture Capital of the World" and transform High Point into a year-round creative hub. A significant catalyst to harness the energy and potential found here, it is geared toward entrepreneurs, innovators and makers. It will develop startup companies, creative projects, job training, cross-collaboration and learning in unique spaces to support, enhance and grow the multi-layered, cross-sectional home furnishings industry.**

## TRANSPORTATION

We support the 2013 Strategic Transportation Investments law (recognizing that continued fine tuning is to be expected), to more efficiently and effectively allocate NCDOT funding to enhance the state's infrastructure, while supporting economic growth, job creation, and a higher quality of life. **The following road improvements are important to moving goods and workforce in and through our growing region:**

- **High Point's Lexington Avenue Gateway R/W acquisition and Construction** are now schedule for 2024 and 2026 respectively (\$34.5M). In a public/private partnership, the City and Business High Point/Chamber of Commerce funded the \$185K engineering study phase (\$95K and \$90K respectively.)
- **Sandy Ridge Road improvements, I-40 to Market Street** (\$18M), is now funded in STIP year 5.
- **US 70 widening from east Greensboro to Burlington** to provide an alternative for I-40 (\$80M).

## EDUCATION

Because it is **critical to job growth and attracting new companies to our state**, we support funding for North Carolina's strong educational system at every level: pre-K-12, community colleges, and universities.

In particular, we support Guilford County Schools' goals for the following Career and Technical Education initiatives:

- Strengthen economic development by providing funding to GCS and Guilford County to for a pilot P-TECH school in advanced manufacturing to meet high-growth industry needs. In the planning stages now, funding may be requested in the 2019 session.
- Streamline the process to use skilled professionals as teachers or co-teachers in K-12 schools.
- Incentivize industry to loan STEM employees to K-12 public schools to serve as co-teachers.
- Expand paid internships and apprenticeships for high school and community college students in high-growth career and technical professions."

## INFRASTRUCTURE FOR JOBS

We support policies and investments that promote North Carolina's job growth: roads, rail, airports, seaports, intermodal facilities, advanced telecommunications and information technology.

## LEGISLATION TO EXPAND HEALTH COVERAGE SOLUTIONS

We support expansion of health coverage to North Carolinians, whether through Medicaid expansion or other options that are available to, and appropriate for, the State. **Expanded coverage improves health, stabilizes the insurance market, lowers costs to businesses, and has a positive impact on jobs.**

## LOOKING TO THE FUTURE:

### UNION SQUARE PHASE 2

We appreciate your support of Greensboro's Union Square Phase 1, which opened for business in August 2016, and is now training next-generation nurses and other health care providers. **Planning is nearly complete for Union Square Phase 2, a similar collaborative effort between UNCG, NCA&T, GTCC, Cone Health and the business community to train a next-generation workforce in cyber security and design sectors. We expect to make a funding request in the 2019 session.**

### "READY FOR SCHOOL, READY FOR LIFE" EARLY CHILDHOOD INITIATIVE

An enhanced system of early childhood support will be key to developing a high-quality workforce for today's and tomorrow's jobs, and achieving our state's highest potential for future global success. Therefore, our community has begun a major initiative called "Ready for School, Ready for Life" that is funded by a large number of local and regional private funders. It is collaborating with local schools and universities to transform the early childhood support system in Guilford County. The goal is for children to arrive at kindergarten ready to succeed, and be reading at grade level by grade 3 – the key indicators of self-sufficiency and success in adulthood. The initiative is pursuing innovative approaches to enhance cognitive and social-emotional development in the very early years of life when the brain is developing most rapidly. **We expect to pursue supportive public policy based on specific recommendations in the next several years.**

### DOWNTOWN REVITALIZATION AS ECONOMIC DEVELOPMENT STRATEGY

We strongly support revitalization of our urban cores because they are leading areas of growth in tax base, and a vibrant downtown strengthens our ability to expand the overall economy and recruit new companies.

- We are excited about the progress that is being made with significant public and private investment in **downtown High Point**, including **HP365, mentioned above**. A downtown revitalization **catalyst project** has secured **\$30M** public and **\$100M** private investment and is in the design stage of a new Multi-Use Stadium, hotel, apartments, children's museum and event center.
- Progress made in **downtown Greensboro** is equally exciting, with significant investment (and extraordinary ROI) made by the public, private and foundation sectors, including state funding support for Union Square Phase 1. This progress will be further enhanced by the 2016 **\$25M bond**.

**As plans progress, there may be other opportunities for the state to participate in these economic development efforts.**



### 3-2-18 DRAFT 2018 PRIORITIES FOR GUILFORD COUNTY

Guilford County is #1 in manufacturing in the State, #4 in the Southeastern US, and we're still building on our two-century heritage as a world leader in manufacturing. We have made extraordinary progress in retooling for a bright, new future in advanced manufacturing of 21<sup>st</sup> century goods and related business clusters. You are a crucial partner in these transformation efforts, and we thank you for:

- Working diligently to develop, launch and maintain the Guilford County Economic Development Alliance. Its first two years of operation have proven that it is a wise and successful approach for effectively uniting and harnessing the power of the various stakeholders of our County.
- Proving to the world that Guilford County is "open for business" by offering economic development incentives in accordance with your policy.
- Acting with a "partner" mindset with the private sector; effective intergovernmental relationships; supporting downtown revitalization projects; and participating in pivotal projects like Union Square, the Eastern Guilford Sewer Outfall, Greensboro-Randolph Megasite and Tanger Center for Performing Arts.

**Below are the strategic investments we now need to make beginning in 2018 to secure Guilford County's global prominence for future generations:**

#### 1) ECONOMIC DEVELOPMENT

- a) Be prepared for a rapid, favorable response to incentive request(s) when prospects are secured for the **Greensboro-Randolph and PTIA Megasites**.
- b) Work with us to **enhance the County's Economic Development Policy** to:
  - i) embed more certainty for projects of major economic impact.
  - ii) offer a local economic development grant that augments NC Builder **Inventory** property tax **exemption** for new **"shovel-ready" office and industrial buildings**. A local program can incentivize the construction of shell buildings to help us win more prospects looking for buildings ready to occupy. (The statewide exemption for non-residential projects only applies to land improvements.)
- c) Partner with us as appropriate to implement **new workforce development approaches** that will emerge in early 2018 from the **Triad Talent Alignment Study**, the **Eastern Triad Workforce Development Initiative**, and the **Blue Ribbon Task force on Career and Technical Education in Guilford County**. These will include new approaches in Guilford County Schools (such as Career Technical Education pathways concepts like "Pathways in Technology Early College High (P-TECH) Schools") and Guilford Technical Community College. New approaches being explored are designed to prepare our citizens and our region for 21<sup>st</sup> century jobs, including the retention, expansion and recruitment of progressive industries, both large and small.
- d) Continue to participate in the **Guilford County Economic Development Alliance** and fund it at current levels.

- e) Continue **funding of Greensboro Chamber of Commerce's Economic Development** services at current levels.
- f) Continue to prioritize and enhance public support of a **strong business climate** to help us grow existing businesses and recruit new jobs, as well as bring end users to the PTIA and Greensboro/Randolph Mega-sites.

## 2) EDUCATION

- a) Because it is critical to job growth, including attracting new companies to our state, **we support adequate funding for Guilford County Public Schools. We support the efforts of the Joint Facilities Committee and the Blue-Ribbon Task Force on Career and Technical Education. We look forward to the recommendations of these initiatives.** We are beginning to look more closely at various, specific school needs, and look forward to productive dialogue with you toward effective solutions.
- b) We support Guilford County Schools goal to pilot a P-TECH school in advanced manufacturing to meet high-growth industry needs.
- c) **"Ready for School, Ready for Life"** is a major community initiative **designed to transform the early childhood support system in Guilford County.** An enhanced system of early childhood support will be key to developing a high-quality workforce and achieving our highest potential for future global success. With a goal of having children arrive at kindergarten ready to succeed and to be reading at grade level by grade 3, the initiative is pursuing innovative approaches to enhance cognitive and social-emotional development in the very early years of life when the brain is developing most rapidly. We will be pursuing supportive public policy with specific recommendations in the next several years.

## 3) OTHER

- a) Thank you for funding the **modernization of Guilford County's Land/Unified Development Ordinance** beginning. Developed in 1992, a comprehensive overhaul to accommodate 21<sup>st</sup> century challenges and market demands is due. Please accomplish this much-needed project with a **Citizen Steering Committee** to partner with the County staff and consultants.

Join us in Raleigh for the Greensboro/High Point Guilford County Chamber Day – June 7, 2018



1 g. Any other costs and expenses necessary or incidental to the purposes  
2 of this section.

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

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

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

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

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

27 b. A provision providing for such adjustment based upon a percentage  
28 or percentages of a LIBOR rate, a prime rate, or base rate, which  
29 percentage or percentages may vary or be applied for different  
30 periods of time; or

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

35 (6) Public school capital outlay project. – A project for the construction of one  
36 or more new public school buildings or the renovation of one or more  
37 existing public school buildings, for the building of technology  
38 infrastructure, for the purchase of equipment for a public school building  
39 that has never been used for public education purposes or equipment related  
40 to the improvement of an existing public school building that will be used at  
41 the building or become affixed to the building during its use for public  
42 education, for the purchase of land necessary for construction to commence  
43 within 24 months of one or more school buildings, and for other related  
44 capital outlay projects to provide facilities for individual schools that are  
45 used for instructional or related purposes. The term does not include projects  
46 for facilities for centralized administration, trailers, relocatable classrooms,  
47 or mobile classrooms.

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

49 **SECTION 1.(d)** Authorization of Bonds and Notes. – Subject to a favorable vote  
50 of a majority of the qualified voters of the State who vote on the question of issuing bonds for  
51 public school capital outlay projects in the election called and held as provided in this section,

1 the State Treasurer is hereby authorized, by and with the consent of the Council of State, to  
 2 issue and sell, at one time or from time to time, general obligation bonds of the State to be  
 3 designated "State of North Carolina Public School Building Bonds," with any additional  
 4 designations as may be determined to indicate the issuance of bonds from time to time, or notes  
 5 of the State as provided in this section, in an aggregate principal amount not exceeding one  
 6 billion nine hundred million dollars (\$1,900,000,000) for the purpose of providing funds, with  
 7 any other available funds, for the purposes authorized in this section. The principal amounts of  
 8 bonds or notes issued in any 12-month period shall not exceed five hundred ninety-one million  
 9 dollars (\$591,000,000). In determining whether this limit has been reached, the issuance of a  
 10 note or bond to pay an outstanding note is not considered an issuance.

11 **SECTION 1.(e) Use of Public School Building Bond and Note Proceeds. –**

12 (1) Subject to the provisions of subdivision (2) of this subsection, the proceeds  
 13 of public school building bonds and notes, including premium thereon, if  
 14 any, shall be used for the purpose of making grants to counties for paying  
 15 the cost of public school capital outlay projects in the following general  
 16 amounts set forth in this subdivision. Any additional monies that may be  
 17 received by means of a grant or grants from the United States of America or  
 18 any agency or department thereof or from any other source to aid in  
 19 financing the cost of public school capital outlay projects authorized by this  
 20 act may be placed by the State Treasurer in the Public School Building  
 21 Bonds Fund or in a separate account or fund and shall be disbursed, to the  
 22 extent permitted by the terms of the grant or grants, without regard to  
 23 limitations imposed by this act.

24 LEA	ADM	Low-Wealth County	ADM Growth	Small County	Total
26 Alamance-Burlington 27 Schools	\$11,894,339	\$10,655,658	\$1,984,971	\$0	\$24,534,968
28 Alexander County 29 Schools	\$2,583,358	\$5,268,881	\$0	\$0	\$7,852,238
30 Alleghany County 31 Schools	\$711,838	\$0	\$0	\$11,400,000	\$12,111,838
32 Anson County 33 Schools	\$1,748,952	\$4,758,716	\$0	\$0	\$6,507,668
34 Ashe County 35 Schools	\$1,583,956	\$0	\$0	\$11,400,000	\$12,983,956
36 Avery County 37 Schools	\$1,065,399	\$0	\$0	\$11,400,000	\$12,465,399
38 Beaufort County 39 Schools	\$3,578,568	\$2,208,334	\$0	\$0	\$5,786,902
40 Bertie County 41 Schools	\$1,147,635	\$3,062,328	\$0	\$11,400,000	\$15,609,963
42 Bladen County 43 Schools	\$2,377,506	\$4,926,454	\$0	\$0	\$7,303,960
44 Brunswick County 45 Schools	\$6,612,390	\$0	\$2,291,422	\$0	\$8,903,812
46 Buncombe County 47 Schools	\$12,765,935	\$0	\$0	\$0	\$12,765,935
48 Asheville City 49 Schools	\$2,387,982	\$0	\$2,681,452	\$0	\$5,069,434
50 Burke County 51 Schools	\$6,412,300	\$14,627,330	\$0	\$0	\$21,039,630

1	Cabarrus County					
2	Schools	\$17,154,290	\$0	\$20,239,736	\$0	\$37,394,026
3	Kannapolis City					
4	Schools	\$2,779,257	\$864,967	\$174,120	\$0	\$3,818,344
5	Caldwell County					
6	Schools	\$6,195,449	\$11,838,398	\$0	\$0	\$18,033,847
7	Camden County					
8	Schools	\$970,592	\$1,102,185	\$0	\$11,400,000	\$13,472,778
9	Carteret County Public					
10	Schools	\$4,359,023	\$0	\$0	\$0	\$4,359,023
11	Caswell County					
12	Schools	\$1,390,676	\$3,168,512	\$0	\$11,400,000	\$15,959,188
13	Catawba County					
14	Schools	\$8,579,764	\$0	\$0	\$0	\$8,579,764
15	Hickory City					
16	Schools	\$2,221,939	\$0	\$0	\$0	\$2,221,939
17	Newton Conover City					
18	Schools	\$1,579,766	\$0	\$285,557	\$0	\$1,865,323
19	Chatham County					
20	Schools	\$4,602,064	\$0	\$4,715,176	\$0	\$9,317,240
21	Cherokee County					
22	Schools	\$1,735,333	\$1,545,096	\$0	\$0	\$3,280,430
23	Edenton-Chowan					
24	Schools	\$1,070,637	\$1,033,675	\$0	\$11,400,000	\$13,504,312
25	Clay County					
26	Schools	\$704,504	\$0	\$55,718	\$11,400,000	\$12,160,223
27	Cleveland County					
28	Schools	\$7,750,596	\$13,226,975	\$0	\$0	\$20,977,572
29	Columbus County					
30	Schools	\$3,040,107	\$9,559,234	\$0	\$0	\$12,599,340
31	Whiteville City					
32	Schools	\$1,167,539	\$3,671,180	\$0	\$0	\$4,838,720
33	Craven County					
34	Schools	\$7,365,083	\$2,972,533	\$0	\$0	\$10,337,616
35	Cumberland County					
36	Schools	\$26,443,796	\$23,904,327	\$0	\$0	\$50,348,124
37	Currituck County					
38	Schools	\$2,114,037	\$0	\$787,023	\$0	\$2,901,061
39	Dare County					
40	Schools	\$2,668,736	\$0	\$1,239,736	\$0	\$3,908,472
41	Davidson County					
42	Schools	\$10,031,724	\$10,460,171	\$0	\$0	\$20,491,895
43	Lexington City					
44	Schools	\$1,591,290	\$1,659,253	\$0	\$0	\$3,250,543
45	Thomasville City					
46	Schools	\$1,219,919	\$1,272,022	\$0	\$0	\$2,491,941
47	Davie County					
48	Schools	\$3,269,529	\$233,720	\$0	\$0	\$3,503,249
49	Duplin County					
50	Schools	\$5,051,480	\$13,913,743	\$2,549,120	\$0	\$21,514,343
51	Durham Public					

1	Schools	\$17,529,851	\$0	\$2,751,100	\$0	\$20,280,951
2	Edgecombe County Public					
3	Schools	\$3,139,628	\$8,695,956	\$0	\$0	\$11,835,584
4	Winston-Salem/Forsyth County					
5	Schools	\$28,759,495	\$0	\$11,958,578	\$0	\$40,718,072
6	Franklin County					
7	Schools	\$4,417,164	\$9,580,484	\$0	\$0	\$13,997,648
8	Gaston County					
9	Schools	\$16,513,689	\$9,682,736	\$3,774,927	\$0	\$29,971,351
10	Gates County					
11	Schools	\$841,215	\$2,044,497	\$0	\$11,400,000	\$14,285,712
12	Graham County					
13	Schools	\$626,459	\$205,923	\$0	\$11,400,000	\$12,232,382
14	Granville County					
15	Schools	\$4,036,365	\$10,379,794	\$0	\$0	\$14,416,160
16	Greene County					
17	Schools	\$1,636,860	\$5,848,956	\$0	\$11,400,000	\$18,885,816
18	Guilford County					
19	Schools	\$37,701,201	\$0	\$0	\$0	\$37,701,201
20	Halifax County					
21	Schools	\$1,358,201	\$2,752,913	\$0	\$0	\$4,111,113
22	Roanoke Rapids City					
23	Schools	\$1,525,291	\$3,091,590	\$0	\$0	\$4,616,881
24	Weldon City					
25	Schools	\$454,654	\$921,533	\$0	\$0	\$1,376,187
26	Harnett County					
27	Schools	\$10,988,698	\$31,708,691	\$7,717,009	\$0	\$50,414,398
28	Haywood County					
29	Schools	\$3,757,182	\$0	\$0	\$0	\$3,757,182
30	Henderson County					
31	Schools	\$7,094,281	\$0	\$0	\$0	\$7,094,281
32	Hertford County					
33	Schools	\$1,511,149	\$3,743,868	\$0	\$11,400,000	\$16,655,017
34	Hoke County					
35	Schools	\$4,403,546	\$14,037,584	\$1,246,701	\$0	\$19,687,830
36	Hyde County					
37	Schools	\$317,944	\$0	\$229,839	\$11,400,000	\$11,947,782
38	Iredell-Statesville					
39	Schools	\$10,699,563	\$0	\$0	\$0	\$10,699,563
40	Mooreville Graded School					
41	District	\$3,186,246	\$0	\$2,792,889	\$0	\$5,979,134
42	Jackson County					
43	Schools	\$1,978,374	\$0	\$995,968	\$0	\$2,974,342
44	Johnston County					
45	Schools	\$18,475,301	\$35,189,800	\$14,605,205	\$0	\$68,270,306
46	Jones County					
47	Schools	\$585,079	\$450,538	\$0	\$11,400,000	\$12,435,617
48	Lee County					
49	Schools	\$5,254,713	\$6,713,788	\$1,218,842	\$0	\$13,187,342
50	Lenoir County Public					
51	Schools	\$4,582,683	\$8,123,174	\$0	\$0	\$12,705,858

1	Lincoln County					
2	Schools	\$5,970,217	\$586,814	\$0	\$0	\$6,557,031
3	Macon County					
4	Schools	\$2,303,651	\$0	\$0	\$0	\$2,303,651
5	Madison County					
6	Schools	\$1,224,633	\$403,668	\$0	\$11,400,000	\$13,028,301
7	Martin County					
8	Schools	\$1,693,953	\$3,441,064	\$0	\$0	\$5,135,017
9	McDowell County					
10	Schools	\$3,241,768	\$5,991,397	\$0	\$0	\$9,233,165
11	Charlotte-Mecklenburg					
12	Schools	\$78,674,026	\$0	\$72,872,801	\$0	\$151,546,827
13	Mitchell County					
14	Schools	\$969,021	\$95,246	\$0	\$11,400,000	\$12,464,267
15	Montgomery County					
16	Schools	\$2,056,420	\$2,204,655	\$0	\$0	\$4,261,074
17	Moore County					
18	Schools	\$6,650,103	\$0	\$1,372,067	\$0	\$8,022,170
19	Nash-Rocky Mount					
20	Schools	\$7,989,447	\$14,371,718	\$0	\$0	\$22,361,165
21	New Hanover County					
22	Schools	\$13,935,569	\$0	\$11,011,364	\$0	\$24,946,933
23	Northampton County					
24	Schools	\$933,927	\$2,214,071	\$0	\$11,400,000	\$14,547,998
25	Onslow County					
26	Schools	\$13,901,522	\$993,738	\$10,161,657	\$0	\$25,056,918
27	Orange County					
28	Schools	\$3,951,510	\$0	\$863,636	\$0	\$4,815,147
29	Chapel Hill-Carrboro City					
30	Schools	\$6,410,728	\$0	\$766,129	\$0	\$7,176,857
31	Pamlico County					
32	Schools	\$671,505	\$0	\$0	\$11,400,000	\$12,071,505
33	Elizabeth City-Pasquotank Public					
34	Schools	\$2,992,965	\$4,901,814	\$0	\$0	\$7,894,780
35	Pender County					
36	Schools	\$4,990,720	\$7,117,093	\$7,877,199	\$0	\$19,985,012
37	Perquimans County					
38	Schools	\$861,643	\$0	\$0	\$11,400,000	\$12,261,643
39	Person County					
40	Schools	\$2,392,696	\$1,638,918	\$0	\$0	\$4,031,614
41	Pitt County					
42	Schools	\$12,347,422	\$16,479,237	\$0	\$0	\$28,826,660
43	Polk County					
44	Schools	\$1,132,969	\$0	\$0	\$11,400,000	\$12,532,969
45	Randolph County					
46	Schools	\$9,064,274	\$17,536,732	\$0	\$0	\$26,601,006
47	Asheboro City					
48	Schools	\$2,436,171	\$4,713,281	\$0	\$0	\$7,149,452
49	Richmond County					
50	Schools	\$3,841,513	\$11,394,323	\$0	\$0	\$15,235,836
51	Public Schools of Robeson					

1	County	\$12,144,190	\$48,064,710	\$0	\$0	\$60,208,900
2	Rockingham County					
3	Schools	\$6,529,630	\$11,917,196	\$0	\$0	\$18,446,826
4	Rowan-Salisbury					
5	Schools	\$10,118,674	\$12,983,241	\$0	\$0	\$23,101,915
6	Rutherford County					
7	Schools	\$4,248,502	\$7,595,758	\$0	\$0	\$11,844,260
8	Sampson County					
9	Schools	\$4,377,880	\$11,563,052	\$0	\$0	\$15,940,932
10	Clinton City					
11	Schools	\$1,586,052	\$4,189,151	\$285,557	\$0	\$6,060,760
12	Scotland County					
13	Schools	\$3,075,201	\$9,753,031	\$0	\$0	\$12,828,232
14	Stanly County					
15	Schools	\$4,433,926	\$7,413,291	\$0	\$0	\$11,847,217
16	Stokes County					
17	Schools	\$3,173,151	\$5,676,493	\$0	\$0	\$8,849,644
18	Surry County					
19	Schools	\$4,198,218	\$6,722,208	\$0	\$0	\$10,920,426
20	Elkin City					
21	Schools	\$618,078	\$989,669	\$0	\$0	\$1,607,747
22	Mount Airy City					
23	Schools	\$838,596	\$1,342,763	\$0	\$0	\$2,181,359
24	Swain County					
25	Schools	\$1,029,257	\$427,317	\$0	\$11,400,000	\$12,856,574
26	Transylvania County					
27	Schools	\$1,787,189	\$0	\$0	\$0	\$1,787,189
28	Tyrrell County					
29	Schools	\$319,515	\$599,330	\$278,592	\$11,400,000	\$12,597,437
30	Union County Public					
31	Schools	\$21,984,205	\$0	\$10,565,616	\$0	\$32,549,821
32	Vance County					
33	Schools	\$3,180,484	\$9,876,842	\$0	\$0	\$13,057,326
34	Wake County					
35	Schools	\$85,220,418	\$0	\$84,650,293	\$0	\$169,870,711
36	Warren County					
37	Schools	\$1,125,112	\$691,281	\$0	\$11,400,000	\$13,216,393
38	Washington County					
39	Schools	\$814,501	\$1,524,139	\$0	\$11,400,000	\$13,738,640
40	Watauga County					
41	Schools	\$2,343,983	\$0	\$0	\$0	\$2,343,983
42	Wayne County Public					
43	Schools	\$9,669,782	\$13,444,191	\$0	\$0	\$23,113,973
44	Wilkes County					
45	Schools	\$5,007,481	\$7,550,886	\$0	\$0	\$12,558,367
46	Wilson County					
47	Schools	\$6,314,874	\$9,028,273	\$0	\$0	\$15,343,147
48	Yadkin County					
49	Schools	\$2,774,543	\$5,457,894	\$0	\$0	\$8,232,437
50						
51						

1	Yancey County					
2	Schools	\$1,146,064	\$0	\$0	\$11,400,000	\$12,546,064
3	<b>Total</b>	<b>\$760M</b>	<b>\$570M</b>	<b>\$285M</b>	<b>\$285M</b>	<b>\$1.9B</b>

4 (2) Special allocation provisions. – In determining the use of the proceeds of  
 5 public school building bonds and notes, including premium thereon, if any,  
 6 set forth in subdivision (1) of this subsection, the following special  
 7 allocation provisions apply:

8 a. In the case of a local school administrative unit located entirely in  
 9 one county, the unit's total distribution amount shall be allocated to  
 10 that county. In the case of a local school administrative unit located  
 11 in more than one county, the unit's distribution amount shall be  
 12 allocated among the counties in which the unit is located in  
 13 proportion to average daily membership of the unit in each county. A  
 14 unit's distribution amount allocated to a county may be used only  
 15 with respect to public school facilities of that unit. If two or more  
 16 local school administrative units are consolidated into one unit, the  
 17 distribution amounts provided in subdivision (1) of this subsection  
 18 for the units shall be considered the distribution amount for the  
 19 merged unit.

20 b. Bond proceeds allocated in subdivision (1) of this subsection for  
 21 low-wealth county or small county designations require no county  
 22 match. A county receiving bond proceeds otherwise allocated in  
 23 subdivision (1) of this subsection must match each one dollar of bond  
 24 proceeds allocated with an amount equal to the product of three cents  
 25 (3¢) multiplied by the county's ability to pay rank. A "county's ability  
 26 to pay rank" is the rank assigned to the county by the State Board of  
 27 Education for the 2016-2017 fiscal year pursuant to Section 8.3 of  
 28 S.L. 2015-241. The match requirement may be satisfied by non-State  
 29 expenditures for public school facilities made on or after January 1,  
 30 2017. If a debt has been incurred since January 1, 2017, for the  
 31 general purpose of public school facilities, then the face amount of  
 32 the debt shall be considered as a non-State expenditure for public  
 33 school facilities for the purpose of the match. As counties satisfy the  
 34 match requirements of this subsection, they shall document the extent  
 35 to which they have done so in periodic reports to the State Board of  
 36 Education. These reports shall include any information and  
 37 documentation required by the State Board of Education. The State  
 38 Board of Education shall certify to the State Treasurer from time to  
 39 time the extent to which the match requirements of this subsection  
 40 have been met with respect to each county. Bond proceeds shall be  
 41 distributed for expenditure only as, and to the extent, the matching  
 42 requirement of this section are satisfied, as certified by the State  
 43 Board of Education. The State Board of Education shall also require  
 44 counties to report annually on the impact of funds provided under  
 45 this act on the property tax rate for that year. These reports shall be  
 46 public documents and shall be furnished to any citizen upon request.

47 c. Unmatched proceeds. – If the State Board of Education determines  
 48 that a county has not met the matching requirement of this subsection  
 49 by January 1, 2024, with respect to any bond proceeds allocated  
 50 under subdivision (1) of this subsection, the State Board of Education  
 51 shall certify that fact to the State Treasurer by March 1, 2024.

1 Amounts that are allocated in the ADM Growth Allocation of bond  
2 proceeds under subdivision (1) of this subsection and that have not  
3 been certified as matched by the State Board of Education by January  
4 1, 2024, shall be reallocated among the counties that have been  
5 certified as having met the matching requirement for that allocation.  
6 The reallocation shall be made among the eligible counties in  
7 proportion to the amount of ADM Growth Allocations for those  
8 counties under subdivision (1) of this subsection. Amounts that are  
9 allocated in the ADM Allocation of bond proceeds under subdivision  
10 (1) of this subdivision and that have not been certified as matched by  
11 the State Board of Education by January 1, 2024, shall be reallocated  
12 among the counties that have been certified as having met the  
13 matching requirement for that allocation. The reallocation shall be  
14 made on the basis of average daily membership of the local school  
15 administrative units within the remaining counties. Bond proceeds  
16 reallocated to a county because of a local school administrative unit's  
17 average daily membership within the county may be used only with  
18 respect to public school capital outlay projects of that unit. Bond  
19 proceeds reallocated to a county under this sub-subdivision must be  
20 matched at the same rate as bond proceeds allocated to the county  
21 under sub-subdivision b. of this subdivision.

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

- 23 (1) Public improvement bonds. – The proceeds of public school building bonds  
24 and notes, including premium thereon, if any, except the proceeds of bonds,  
25 the issuance of which has been anticipated by bond anticipation notes or the  
26 proceeds of refunding bonds or notes, shall be placed by the State Treasurer  
27 in a special fund to be designated "Public School Building Bonds Fund,"  
28 which may include such appropriate special accounts therein as may be  
29 determined by the State Treasurer and shall be disbursed as provided in this  
30 section. Monies in the Public School Building Bonds Fund shall be allocated  
31 and expended as provided in this section.

32 Any additional monies that may be received by means of a grant or  
33 grants from the United States of America or any agency or department  
34 thereof or from any other source for deposit to the Public School Building  
35 Bonds Fund may be placed in the Public School Building Bonds Fund or in a  
36 separate account or fund and shall be disbursed, to the extent permitted by  
37 the terms of the grant or grants, without regard to any limitations imposed by  
38 this section.

39 Monies in the Public School Building Bonds Fund or any separate  
40 account established under this section may be invested from time to time by  
41 the State Treasurer in the same manner permitted for investment of monies  
42 belonging to the State or held in the State treasury, except with respect to  
43 grant money to the extent otherwise directed by the terms of the grant.  
44 Investment earnings, except investment earnings with respect to grant  
45 monies to the extent otherwise directed or restricted by the terms of the  
46 grant, may be (i) credited to the Public School Building Bonds Fund or (ii)  
47 used to satisfy compliance with applicable requirements of the federal tax  
48 law.

49 The proceeds of public improvement bonds and notes, including  
50 premium thereon, if any, may be used with any other monies made available  
51 by the General Assembly for funding the projects authorized by this section,

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

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

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

27 **SECTION 1.(g)** Election. – The question of the issuance of the bonds authorized  
28 by this section shall be submitted to the qualified voters of the State at an election to be held in  
29 November of 2018. Any other primary, election, or referendum validly called or scheduled by  
30 law at the time the election on the bond question provided for in this subsection is held may be  
31 held as called or scheduled. Notice of the election shall be given in the manner and at the times  
32 required by G.S. 163-33(8). The election and the registration of voters therefor shall be held  
33 under and in accordance with the general laws of the State. Absentee ballots shall be authorized  
34 in the election.

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

39 Ballots, voting systems authorized by Article 14A of Chapter 163 of the General  
40 Statutes, or both may be used in accordance with rules prescribed by the State Board of  
41 Elections. The bond question to be used in the ballots or voting systems shall be in substantially  
42 the following form:

43 "[ ] FOR [ ] AGAINST

44 The issuance of one billion nine hundred million dollars (\$1,900,000,000) State of  
45 North Carolina Public School Building Bonds constituting general obligation bonds of the State  
46 secured by a pledge of the faith and credit and taxing power of the State for the purpose of  
47 providing funds, with any other available funds, for grants to counties for costs of public school  
48 building capital improvements."

49 If a majority of those voting on a bond question in the election vote in favor of the  
50 issuance of the bonds described in the question, those bonds may be issued as provided in this

1 section. If a majority of those voting on a bond question in the election do not vote in favor of  
2 the issuance of the bonds described in the question, those bonds shall not be issued.

3 The results of the election shall be canvassed and declared as provided by law for  
4 elections for State officers; the results of the election shall be certified by the State Board of  
5 Elections to the Secretary of State in the manner and at the time provided by the general  
6 election laws of the State.

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

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

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

45 (3) Manner of sale; expenses. – Subject to the consent of the Council of State,  
46 the State Treasurer shall determine the manner in which bonds or notes shall  
47 be offered for sale, whether at public or private sale, whether within or  
48 without the United States of America, and whether by publishing notices in  
49 certain newspapers and financial journals, mailing notices, inviting bids by  
50 correspondence, negotiating contracts of purchase, or otherwise, and the  
51 State Treasurer is authorized to sell bonds or notes at one time or from time

1 to time at such rate or rates of interest, which may vary from time to time,  
2 and at such price or prices, including a price less than the face amount of the  
3 bonds or the notes, as the State Treasurer may determine. All expenses  
4 incurred in preparation, sale, and issuance of bonds or notes shall be paid by  
5 the State Treasurer from the proceeds of bonds or notes or other available  
6 monies.

7 (4) Notes; repayment. –

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

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

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

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

37 (6) Tax exemption. – Bonds and notes shall be exempt from all State, county,  
38 and 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  
41 bonds and notes, and franchise taxes. The interest on bonds and notes shall  
42 not be subject to taxation as to income.

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

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

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

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

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

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

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

- 43 (1) Additional method. – The foregoing subsections of this section shall be  
44 deemed to provide an additional and alternative method for the doing of the  
45 things authorized thereby and shall be regarded as supplemental and  
46 additional to powers conferred by other laws and shall not be regarded as in  
47 derogation of any powers now existing.  
48 (2) Statutory references. – References in this section to specific sections or  
49 Chapters of the General Statutes or to specific acts are intended to be  
50 references to these sections, Chapters, or acts as they may be amended from  
51 time to time by the General Assembly.

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

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

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

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

22 **SECTION 2.** The State Board of Education, upon receiving the proceeds of public  
23 improvement bonds and notes, including premium thereon, if any, issued pursuant to and for  
24 projects listed in Section 1 of this act, shall administer, supervise, and ensure that use of the  
25 proceeds comport with the purposes provided in this act. Each school administrative unit shall  
26 submit to the State Board of Education its plans for the expenditure of proceeds allocated under  
27 this act. After the State Board of Education determines that a school administrative unit's  
28 planned expenditure of part or all of the proceeds allocated to it is within the purposes provided  
29 in this act, the State Board of Education shall make the proceeds to which the plans apply  
30 available to the school administrative unit. Each local school administrative unit receiving the  
31 proceeds of public improvement bonds and notes, including premium thereon, if any, issued  
32 pursuant to and for projects listed in Section 1 of this act shall report by January 1, 2019, and  
33 quarterly thereafter, to the Department of Public Instruction on the projects funded from public  
34 improvement general obligation bonds authorized by Section 1 of this act, and the Department  
35 of Public Instruction shall combine the reports and submit them to the Joint Legislative Capital  
36 Oversight Committee, the House of Representatives Appropriations Committee, and the Senate  
37 Committee on Appropriations/Base Budget. Each report shall include the total project costs, the  
38 amount to be funded from the bonds, the expenditures to date from the bonds and other sources,  
39 and the percentage of each project completed.

40 **SECTION 3.(a)** Projects funded in whole or in part with the proceeds of public  
41 improvement bonds and notes, including premium thereon, if any, issued pursuant to Section 1  
42 of this act, and that portion of funds estimated to be needed for escalation of costs shall remain  
43 with the Office of State Budget and Management and shall be disbursed only for the following  
44 purposes:

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

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

48 **SECTION 3.(b)** Any funds retained by the Office of State Budget and  
49 Management pursuant to subsection (a) of this section at the time a project is completed shall  
50 be retained by the Office of State Budget and Management. The Office of State Budget and

1 Management shall report on any funds retained pursuant to this subsection within 90 days of a  
2 project's completion.

3       **SECTION 4.** Notwithstanding the period of time provided in G.S. 163-128(a) for  
4 which transfers are effective, transfers of voters from a given precinct, for the purpose of  
5 voting, to an adjacent precinct for the election held in November of 2018 shall be for that  
6 election only and shall not apply to any subsequent election.

7       **SECTION 5.** Any funds from the Public School Building Bond expended for  
8 school technology shall be reported to the Department of Public Instruction and shall be  
9 credited against the judgment in *N.C. Sch. Bds. Ass'n. v. Moore*, No. 98-CVS-14159 (N.C.  
10 Super. Ct.).

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